Staff Report
To Management

January 16, 1961

RAILWAY AGE *weekly*

Review

1960: 'Hidden Recession' cut railroad traffic, earnings

Outlook

1961: Plans pinned to business rise, action in Congress

Week at a Glance

In order that water carriers in the Atlantic-Gulf coastwise trade may "survive," the ICC has ordered railroads to maintain piggyback rates 6% higher than competing truck-water and Seatrain rates.

A pilot operation between New York and St. Louis will involve the handling of containers (loaded on piggyback cars) in passenger trains.

The hiring gamble can be reduced by careful attention to details in the interview-and-testing stage, a Railway Educational Bureau meeting of training directors was told by Robert C. Johnson, Paxton-Mitchell personnel manager.

The railroad has asked a federal court in Georgia to throw

Report to Management

OUTLOOK FOR 1961

REVIEW OF 1960

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Week at a Glance cont

Current Statistics

Operating revenues	
11 mos., 1960	$8,782,777,302
11 mos., 1959	8,979,398,045
Operating expenses	
11 mos., 1960	6,951,724,230
11 mos., 1959	7,050,235,908
Taxes	
11 mos., 1960	945,064,644
11 mos., 1959	958,748,814
Net railway operating income	
11 mos., 1960	549,744,777
11 mos., 1959	671,185,991
Net income estimated	
11 mos., 1960	393,000,000
11 mos., 1959	484,000,000
Carloadings revenue freight	
52 wks., 1960	30,439,609
52 wks., 1959	31,014,549
Freight cars on order	
Dec. 1, 1960	22,781
Dec. 1, 1959	36,555
Freight cars delivered	
11 mos., 1960	52,115
11 mos., 1959	34,254

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out four "illegal" proposals of the union. One of the demands would freeze jobs as of March 1957.

Teamster pact may force rate hike p.114

A 42-cent wage and fringe benefit package won by the Teamsters is expected to force Chicago truckers to seek a 15% increase in rates.

Short and Significant

A 10% cut in payroll expense . . .

is contemplated by B&O and Reading. This will be accomplished by cutting salaries of officers, supervisors and monthly rated employees by 10%, and by layoffs in other categories.

Federal, state and local aid . . .

for railroads serving Massachusetts has been proposed by the Greater Boston Chamber of Commerce. State purchase of commuter equipment for lease to railroads is among the proposals.

Railroads' estimated net income for November declined . . .

to $34,000,000, compared with November 1959's $41,000,000. The rate of return in the 11 months ended Nov. 30 was 2.28% and 28 Class I roads failed to earn their fixed charges in the same period.

Commissioner John H. Winchell of the ICC . . .

has been nominated by President Eisenhower for a new 7-year term. The reappointment is not likely to be considered by the Senate before President-elect Kennedy takes office Jan. 20. The new President, of course, could appoint someone else.

A strike by 660 marine railroad workers . . .

in New York harbor sent 30,000 ferryboat commuters scurrying for other means of transport last week. Directly affected were nine Hudson River ferries, 51 tugboats and hundreds of barges, carfloats and lighters. Job-security demands triggered the strike.

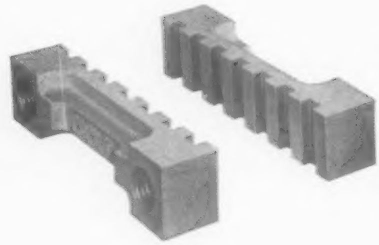
Commuter income tax proposal . . .

advocated by New Jersey Governor Robert Meyner last year as a means of raising $40 million for commuter railroad improvements was urged again in the governor's message to the legislature last week. The proposal is aimed at tapping funds now paid in income tax to New York State.

STABILIZED JOURNALS—

Now MAGNUS offers you three low-cost ways to get

BETTER BEARING PERFORMANCE



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Bolted to the inside of the box, on both sides of the journal, Magnus R-S Journal Stops positively prevent excessive displacement of bearing, wedge or lubricator pad, even under severe humping, braking or road impacts. By stabilizing the entire journal bearing assembly they eliminate the major causes of bearing failures—increase miles per hot box *ten times;* miles per cut journal, *fifteen times!* In short, they cut maintenance and operating costs all along the line—double bearing and dust guard life, reduce wheel flange wear, extend the maximum safe period between repacks.

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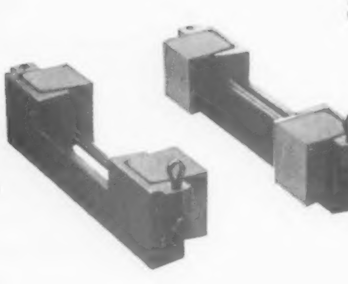

3. MAGSTOPS

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Here's a new approach to the problem of journal box stabilization—a low-cost fabricated journal stop with forged steel frames and renewable bronze inserts that hold the journal in the center of the box even under the most severe car impacts. The frames are welded to the inside of the journal box and need never again be removed. Wear occurs only on the brass inserts, which are easily and inexpensively replaced during wheel changes, without any special tools.

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Atlantic-Gulf Ships Get Umbrella

► The Story at a Glance: The ICC has determined that survival of water-carrier service in the Atlantic-Gulf coastwise trade requires that railroad piggyback rates be 6% higher than competing truck-water and Seatrain rates. While a differential for box-car rates was not in issue, the Commission nevertheless said there should be one, though "somewhat less than 6%."

The determination came in a report wherein the Commission considered the proposed piggyback rates for the first time and also affirmed, on reconsideration, the approval by its Division 3 of the sea-land rate structure maintained by Pan-Atlantic Steamship Corp. and some 250 truckers.

Thus has the Commission continued its case-by-case interpretation of the 1958 Transportation Act's rate-freedom provision. It finds the present case one wherein that provision's prohibition against holding rates of a carrier up to a particular level to protect the traffic of another mode of transportation must give way to the qualifying call for "due consideration to the objectives of the national transportation policy."

Railroad piggyback rates which the ICC has condemned to protect Atlantic-Gulf water carriers would have been on a parity basis with Pan-Atlantic's competing sea-land rates and with the rail-water rates designed to meet the same competition and published by Seatrain, operator of seagoing car ferries.

The sea-land and Seatrain rates have been in effect for some time. The piggyback rates are not in effect. They were published more than three years ago but have been suspended since—by orders of the Commission and voluntary action of the railroads.

The approved sea-land rate structure embraces about 450 joint truck-water commodity rates for so-called "fishyback" service—a coordinated operation in which highway trailer bodies, or containers, are transported over both motor-carrier and water-carrier portions of through routes. The title case is I&S No. 10415.

The rates apply between numerous points in the East, South and Southwest. Pan-Atlantic's water-carrier operations generally are between the ports of Boston, New York, Philadelphia, Baltimore, Georgetown, S.C., Charleston, several Florida ports, Mobile, New Orleans, Galveston, and Houston.

Division 3's report approving this set-up drew a dissent from Commissioner Freas, who said the division has gone in for "umbrella" rate-making of the type which he considered condemned by the 1958 act (RA, Feb. 22, 1960, p. 9). The Commission's present report was also accompanied by a separate Freas expression, dissenting-in-part, to which Commissioners Winchell and Webb also subscribed.

Other separate expressions came from Commissioner McPherson, who would have approved all rates in issue, without imposing differentials; and from Chairman Hutchinson, who did not like the way the majority went about prescribing the differential, i.e., the finding that the proposed piggyback rates should be condemned without prejudice to the filing of new ones reflecting a 6% differential. "I do not believe the 'without prejudice' finding constitutes an effective prescription of a differential," Mr. Hutchinson said.

Meanwhile, the majority had reached its decision on the basis of cost evidence indicating that fully-distributed costs of the sea-land service are generally lower than those of the piggyback service. Also, the Commission found the piggyback-rate proposal "an initial step in an overall program of rate reduction that can fairly be said to threaten the continued operation, and thus the continued existence, of the coastwise water-carrier industry generally."

The report also said a situation like this had not been presented in any of the previous cases involving the 1958 act's rate-freedom provision. At the same time it was emphasized that, where those previous decisions approved competitive rates, there was no showing that such rates were unlawful under other provisions of the act.

It's those other provisions of the act which prompted the Commission to make its present determination. In addition to the rate-freedom provision's call for "due consideration to the objectives of the national transporta-

Roving Missile Train Shown in Model

Railroad public relations officers were slated to get a briefing on the Air Force's Minuteman missile trains, including a tour of a full-scale mock-up of the Minuteman system, last week at the Boeing Airplane Co.'s Aero-Space Division, Seattle, Wash. Missile trains are scheduled to become operational in 1962. The model shows the proposed train in the foreground, missile transfer buildings in the background. These buildings at the missile unit support base will be used to transfer the missiles from highway transporters to the launch car. Under actual operations covers on the cars would open only seconds before the missile launching.

tion policy," the provisions relied on are the rate-making rule applicable to water carriers, which is in section 307 (f); section 307 (d), which gives the Commission authority to prescribe joint rail-water rates and routes with "reasonable differentials"; and section 305 (c), which provides that differences in rates of a water carrier from those of a railroad shall not be deemed to constitute an unfair or destructive competitive practice.

Commissioner Freas' dissenting-in-part expression says the majority relied too heavily on the transportation policy. "A reiteration of some of the language contained in the . . . policy is in and of itself no substitute for essential supporting evidence," he also says, adding that he does not read the act as requiring, or even permitting, "blanket protection from reasonable competition for the water carriers, or for that matter for any mode of transportation."

Mr. Freas also emphasized that his dissent to Division 3's decision should not have been construed as, he said, the railroads construed it, i.e., as advancing the proposition that fully-distributed cost is always the right basis for identifying the low-cost carrier and thus, the carrier which should be permitted to make the rate in a competitive situation. He explains:

"The views expressed dealt with the situation at hand which is limited to inter-mode competition between regulated carriers. The standards set forth in no way preclude action necessitated by either the existence or threat of exempt transportation."

More than he could take of the latter theory was given to Mr. Freas by the Commission in a decision made three days after the sea-land rate case was decided. That decision in I&S No. 7256 approves a reduction in the Missouri Pacific's "trainload" rate on crushed limestone moved for the Solvay Process Division of Allied Chemical & Dye Corp. from its quarry at Prairie du Rocher, Ill., to its plant at Baton Rouge, La.

While water carriers protested the cut, which reduced the rate from $2.65 to $2.30 per ton, they had never had the business. The cut was designed to prevent diversion of the traf-

(*Continued on page 98*)

Watching Washington *with Walter Taft*

• **IMPROVED ICC PROCEDURES,** including expedited disposition of cases, is expected to result from two Commission actions which become effective Feb. 1. The actions will limit the right of appeal to the entire Commission generally to cases involving issues of general transportation importance, and create three boards of staff employees to dispose of uncontested cases processed by the Bureau of Finance.

BOTH STEPS, as the Commission puts it, were taken "after thorough study" and were "made necessary by continuing substantial increases" in its work load. It was conceded that the Commission also had in mind recommendations of the several recent studies of itself and other regulatory agencies.

THE LIMITATION on appeals should reduce the number of petitions considered by the entire Commission by at least 700 a year. The new finance boards are expected to reduce by 400 a year the number of cases initially considered by Division 4.

AFTER FEB. 1, all decisions of the latter and the Commission's other three divisions, each composed of three commissioners, will be administratively final except those involving issues of general transportation importance, those in which a division reverses or modifies a decision by a hearing officer or joint board, and those in which the initial decision is made by a division.

THE NEW SET-UP will also provide for appellate divisions to pass on petitions resulting from decisions or orders of individual commissioners or recommended orders of individual commissioners or hearing officers which have become orders of the Commission by operation of law. The appellate division in each such situation will be the Commission division which has general jurisdiction over the matter involved, and its decision will be administratively final.

• **CONGRESS** is still getting organized for its legislative work. It was scheduled to hear President Eisenhower's state-of-the-union message the latter part of last week and his budget message this week. With President-Elect Kennedy's inauguration in the offing, however, there has been a disposition to mark time until the new administration takes over. Meanwhile, there is much talk of changing Senate rules to limit debate and revamping the powerful House Rules Committee to give it a "liberal" majority.

IT'S A NEW CONGRESS, the 87th, so all proposed legislation must start over in newly-introduced bills. The previous Congress' sine die of last Sept. 2 brought death to all bills then pending at any stage short of final enactment. Most of them, of course, will be reintroduced.

THUS REVIVED by new bills introduced in this session's opening days are two priority items of the railroads' legislative program. They are the proposal to establish a federal commission to collect user charges on waterways and the proposal to repeal or extend to railroads those provisions of the Interstate Commerce Act which leave trucking of agricultural products and water transportation of commodities in bulk free of regulation.

OTHER PROPOSALS thus far revived, however, are measures which the railroads will oppose. They include bills to repeal or emasculate the 1958 Transportation Act's service-abandonment (so-called train-off) provisions, and the track-inspection bill which would give the ICC power to prescribe standards and regulations covering railroad maintenance-of-way-and-structures work.

Current Publications

BOOKS

DIRECTORY OF RAILWAY OFFICIALS AND YEAR BOOK, 1960-1961, compiled from official sources under the direction of the editor of the Railway Gazette. 618 pages. Tothill Press Limited, 33 Tothill st., Westminster, S.W.1, London. 60 shillings.

The scope of the volume remains unchanged, but railway developments throughout the world have necessitated more numerous changes in the present edition than occur normally from one year to the next. There are some additional entries such as the United Kingdom Railway Advisory Service, the Federation of Private Railways in Western Germany, and the Swiss Institute of Transport. As last year's volume was published considerably later in the year than usual, the present edition has been produced on an intermediate schedule, with the intention of resuming July publication in 1961.

RAIL TRANSPORTATION AND THE ECONOMIC DEVELOPMENT OF SOVIET CENTRAL ASIA, by Robert Taaffe. 186 pages, illustrations, maps. Research Paper No. 64, Department of Geography, University of Chicago, Chicago 37. $4.

RUSSIAN LOCOMOTIVE TYPES, by J. N. Westwood. 87 pages, illustrations, drawings. J. N. Westwood, McGill University, Montreal, Can da. $2 (No. C.O.D)

AUF DEN SCHIENEN DER ERDE (The Story of the Railroads of the World), by Erwin Berghaus. 368 pages, photographs, drawings, tables. Süddeutscher Verlag München, Sendlingerstrasse 80, Munich 3, Germany. 24.8 DM (about $6.)

SEVENTY-FOURTH REPORT OF THE RAILWAY ACCOUNTING OFFICERS (Sixty-Sixth Annual Meeting). 388 pages. Accounting Division, Association of American Railroads, Transportation Bldg., Washington 6, D.C. $2 to non-members.

CLIMAX—AN UNUSUAL STEAM LOCOMOTIVE, by Thomas T. Taber III and Walter Casler. 97 pages, illustrations, drawings, locomotive roster. Railroadians of America, Inc. Copies available from Halsey L. Tilton, Treasurer, 761 West Inman ave., Rahway, N.J. $6.

ERASTUS CORNING: MERCHANT AND FINANCIER, 1794-1872, by Irene D. Neu. 212 pages. Cornell University Press, 124 Roberts Place, Ithaca, N.Y. $4.

SIERRA RAILWAY, by Dorothy Newell Deane. 181 pages, illustrations, maps. Howell-North Books, 1050 Parker st., Berkeley 10, Cal. $6.

OPERATION OF ROCK ISLAND MOTOR TRANSIT COMPANY. 12 pages. Detailed description of points served and services available in seven-state area served by RIMT. Rock Island Motor Transit Co., 402 Plymouth Bldg., Des Moines 9, Iowa. Free.

OBSTACLES TO RAILROAD UNIFICATION, by Roy J. Sampson. 40 pages. Bureau of Business Research, University of Oregon, Eugene, Ore. $1.

PLASTICS CATALOG. 216 pages. Contains technical information for machining, forming and processing plastics. Free. R. S. Hughes Co., Inc., 4515 Alger Street, Los Angeles, 39, Calif.

Railroads Eye New Diesels

Replacement of aging low-horsepower diesels must be accelerated or railroads will be burdened with large-scale motive power renewal programs. Economy features and operating advantages of available high-horsepower models plus attractive trade-in plans are incentives that will speed re-dieselization.

By C. L. COMBES, Mechanical Editor

COMBES

Rebuilding or replacing old-age and obsolete domestic diesel-electric locomotives will continue to be the big potential market in 1961. The extent to which this uneconomic domestic motive power will be replaced in 1961 depends on one of two factors: (1) carloadings; (2) the selling job that is done for the money-saving models now available.

An increasing percentage of the domestic diesel inventory has joined the 15-year-old club, an age that most authorities consider the end of the line, economically speaking, for diesel-electric power. Some believe the age limit to be 12 years for that part of the fleet with high mileage.

Fifteen years ago, on Jan. 1, 1946, railroads had 2,983 diesels in service. Part of this inventory has been retired but the major portion is in service. In addition to these obsolete units the 12-year-old group will include 4,576 units by the end of 1961 that were installed during the years 1946-1949, inclusive.

There may be some question about the speed domestic railroads use in replacing these older units. But there is no doubt in anyone's mind that in the last year and a half the manufacturers have developed models that would tempt any cost-conscious railroad. The built-in and operating cost-saving advantages of the new lines were stressed by the builders in year-end statements to Railway Age. All are predicting a continuation of good export sales as well.

"We expect to have a good international business," Alco President W. S. Morris said, "and we have a great deal of confidence in the future of our domestic railroads. With that in mind we are offering new types of locomotives, as well as improvements to existing locomotives, so railroads will have a greater return on their investment."

This "greater return" is represented by the savings Alco claims for its 2,400-hp four-axle DL-640 locomotive in comparison with older 1,350-to-1,600-hp units. One such saving cited by Alco is a 10% reduction in fuel costs because, according to the manufacturer, its 251 engine has consistently lowered such costs by 8% to 17%. Another claimed saving is a 50% reduction in maintenance; according to Alco, experience has shown that power-assembly overhaul for the 251 engine can be scheduled at four-year intervals instead of the two-year interval for older engines. The builder also cites fewer daily maintenance requirements. All of this adds up, Alco says, to direct cost savings of $12,000 per engine per year.

Business last year was lower than Electro-Motive hoped. Yet, said R. L. Terrell, vice president, General Motors, and general manager, EMD, "Our export volume, component rebuild and parts business combined to produce a good year at Electro-Motive.

"During 1960, export locomotive business reached the highest volume in our history, and our locomotive replacement plan continued to make progressive strides. Looking forward to 1961, our export locomotive business will continue to prosper—and next year will again be a record year for us. Orders for 1961 already exceed the total export production of last year.

"Despite the generally depressed domestic railroad market, 160 locomotives were delivered to U.S. railroads under the replacement program. With domestic carloadings down and many railroads postponing capital expenditures, 1961 should provide an excellent opportunity for more railroads to take advantage of the locomotive replacement plan. Definite economic gain can be achieved by railroads turning in older diesel locomotives for today's higher-powered, lower-operating-cost units.

The "economic gain" Mr. Terrell refers to is backed up by what EMD says about the advantages of its GP-20 model. "Three [GP-20's] will do the work of four [1,500-hp] present locomotives and pay for themselves in five years. Scheduled maintenance is reduced by 60%, fuel costs by as much as 10%."

General Electric, which entered the domestic road locomotive market by introducing its 2,500-hp U25B unit last year, is a long-time builder of export and electric locomotives. GE's G. W. Wilson, general manager, Locomotive and Equipment Department, said: "General business prospects for 1961 appear to be characterized by what has been called 'sober optimism,' and the railroad supply industry very likely will reflect this mood."

GE sees two factors at work in the domestic market. "Faced with declining car loadings during the latter half of 1960, U.S. railroads curtailed their capital expenditures. Moreover, a rapidly growing percentage of the domestic diesel-electric locomotive fleet has reached the end of its economic life. Efficient operation demands that these over-age, low-horsepower units be replaced at the earliest possible moment. Therefore, we believe that any upswing in railroad business will be reflected quickly in increased locomotive purchases."

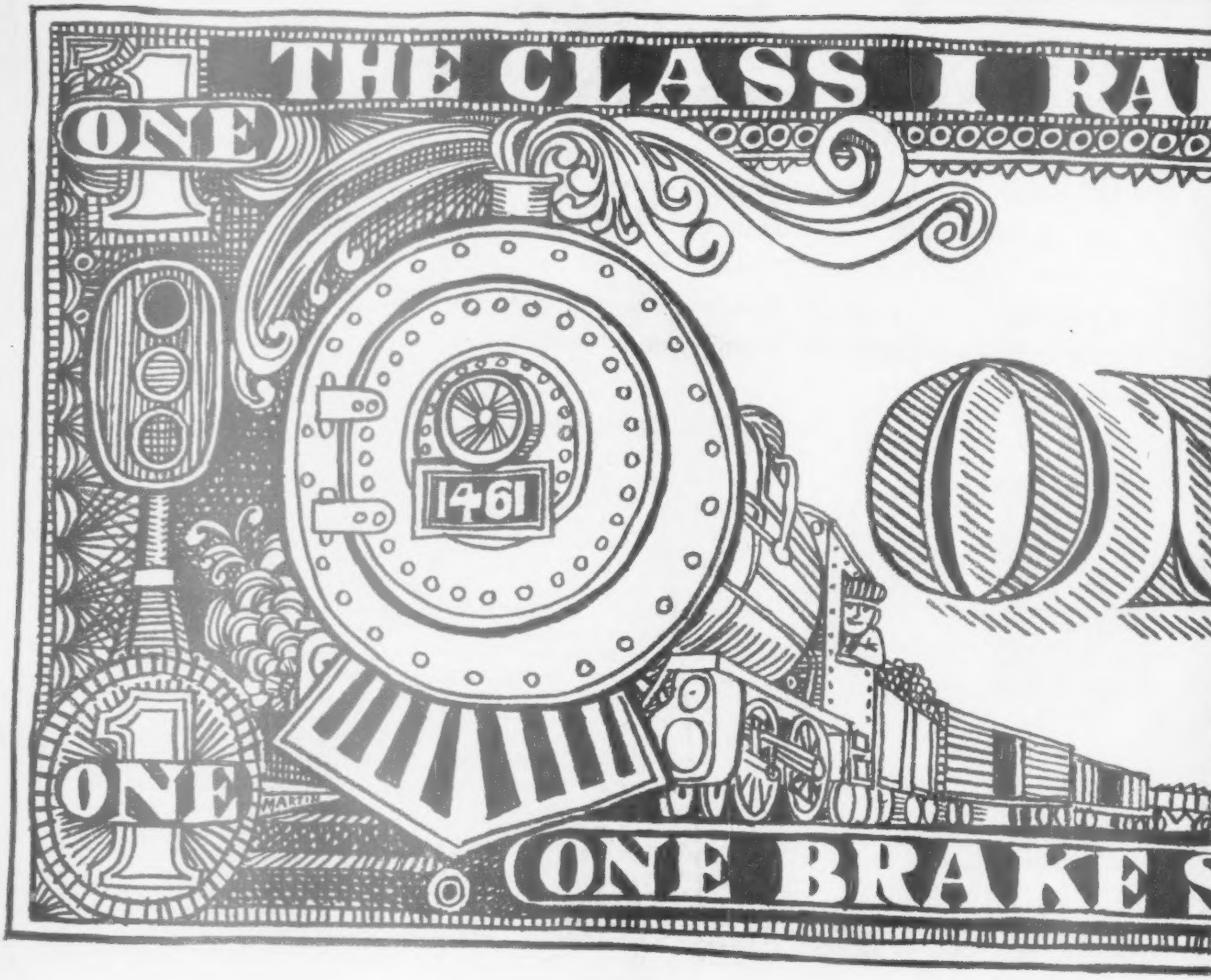
"The export market is complicated," Mr. Wilson said, "by international financial and political overtones. The need for up-to-date, efficient locomotives exists in most countries. Barring unfortunate international developments, the export market promises to hold steady at about 1960 levels, or even advance slightly."

In summary:

All high-horsepower units can produce operating advantages. They can haul more tonnage at the same speed or the same tonnage at higher speed in comparison with older models. Many believe that high-speed operation is a prime requisite in keeping traffic on the rails and recapturing traffic lost to the truckers. The remarkable gain in piggyback carloadings is strong evidence to substantiate this belief.

Both the built-in economy features and the operating advantages of up-to-date diesels will tend to increase the re-dieselization programs in 1961. The size of the increase will depend on the financial position of each railroad.

Outlook for 1961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YOUR BRAKE SHOE DOLLAR BUYS TOP VALUE WITH OUR SHOES


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Work Rules Still Warm Topic

One of the railroad industry's most pressing problems will be approaching solution in 1961. The work rules controversy, now pending before a Presidential commission, is almost certain to be the biggest labor story of the year. The outcome remains unpredictable. Both sides want peaceful settlement.

By GUS WELTY, Western Editor

WELTY

The top railroad labor story of 1959 and 1960 will stay on top in 1961—and quite possibly in '62. But with a difference.

For almost two years, work rules have been the hottest topic in railroading. But until last Oct. 17, when the carriers and the unions agreed to submit the dispute to a special commission, the dispute flared only at long range. It never came to a bargaining situation. For months, it threatened to defy even a study commission approach—which the industry, the unions and Secretary of Labor Mitchell all proposed at varying points along the way.

Now the commission has been created and its members—industry, labor and public—appointed by President Eisenhower. Now the issues will get the close-range inspection they require. And by early 1962, the commission—as prestige-heavy a panel as the American management-labor field has ever seen—will have filed its report and recommendations.

Under the terms of the commission agreement, national conferences between the carriers and the brotherhoods "shall be resumed and expedited, provided no settlement is sooner reached, immediately following the report of the commission."

From bitter experience, the carriers have learned to be wary of boards with only the power to recommend settlements in labor disputes. But this time, things should be different—even though the commission's findings will not be legally binding on the parties.

This time the approach is unprecedented. Management and labor requested creation of a commission by the President. Commissioners hold appointment from the President. The public is strongly represented, by Mr. Mitchell (as chairman) and by four other widely-known experts on labor and economics. Three of the public members are veterans of past rail labor investigations. One, Harvard Professor John T. Dunlop, served with Emergency Board 109, which found (in 1955) an "imperative need in this industry, and specifically in the operating classifications, for a thoroughgoing review and modernization of the internal wage structure."

From a standpoint of prestige, respect and influence, this Presidential commission promises to be the U. S. equivalent of a Canadian Royal Commission—a group so distinguished that its "recommendations" combine the strongest features of both the irresistible force and the immovable object (that is, as one Canadian commented in a slightly shocked tone, "One just doesn't argue with a Royal Commission").

The BLF&E once engaged in a test of strength with a Royal Commission, in the Canadian Pacific diesel fireman case. And the union lost. All indications in the current U. S. case point to a similar pattern: He who argues with the Presidential commission's recommendations will do so at his own risk.

While the year-long work rules study commands primary attention, the brotherhoods will be working in other areas to build up their own strength and to fight off threats, actual and presumed, to rail jobs.

They'll also have an opportunity—if they choose to take advantage of it—to bring on a new round of wage negotiations. Settlements reached with most organizations last year call for application of the last half of a two-stage increase (in wages for the ops, fringe benefits for the non-ops) on March 1, after which no further changes can take place before Nov. 1, 1961.

At the moment, however, the unions seem more concerned with the work rules situation and mergers—internal and external—than with forging a new wage demand.

Early this year, the BRT—biggest of the operating unions—and the ORC&B will vote on a consolidation proposal which would bring into one organization virtually all road and yard train crewmen (all except those represented by the SUNA). Thus far, the BLF&E hasn't met with much success in its efforts to get the Firemen's and Engineers' organizations together or to bring all five operating unions under one banner. But BLF&E President H. E. Gilbert isn't going to let his proposal die—and a BRT-ORC&B combine could provide the impetus for a new judgment of the wisdom of maintaining a separate union for each separate craft.

There's apparently no possibility of an engine-service union amalgamation for another two years, at least (the BLE meets in convention in 1962, the BLF&E in 1963). But pro-merger brotherhood officers say they're encouraged by the close cooperation the five organizations are maintaining in the work rules dispute. As one noted, if this type of cooperation "is given half a chance," then consolidation could come about as a logical next move.

Judging from current and recent comment, however, it's likely that the brotherhoods in 1961 will be more concerned with opposing railroad mergers than with promoting their own. Not too surprisingly, the RLEA is vowing to fight all rail consolidations, in the name of "the public interest."

The opposition itself is to be expected; the methods to be used pose the problem. "We've been on record opposing merger for years," one union man commented. "Just how we're going to do it is something else again."

Thus far, the unions have intervened in merger proceedings before the ICC. They've attempted to get the best deal possible from merging carriers. Only once—in the Erie-Lackawanna case—have they felt obliged to try to get by judicial order what they couldn't obtain from the carriers or the Commission.

Judging from current statements, the RLEA has apparently lost hope of fighting the merger trend effectively through normal channels. While "some rearrangement of the nation's rail network may be accepted as inevitable in a growing, dynamic economy," the organization concedes, "any modification . . . should properly be the responsi-

Outlook for 1961

But Some of the Heat's Off

The Presidential Work Rules Commission

Union Members

A. F. Zimmerman, assistant grand chief engineer, BLE

S. C. Phillips, assistant president, BLF&E

S. W. Holliday, vice president, ORC&B

H. F. Sites, vice president, BRT

J. W. Fallon, vice president, SUNA

Carrier Members

Daniel P. Loomis, president, AAR

B. B. Bryant, assistant vice president—labor relations, C&O

Thomas A. Jerrow, vice president — operations, GN

Guy W. Knight, director—labor relations, PRR

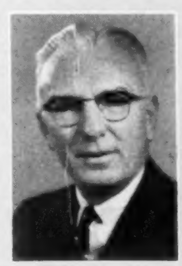
James E. Wolfe, vice president—personnel, Burlington

Public Members

James P. Mitchell, Secretary of Labor, 1953-1961

John T. Dunlop, professor of economics, Harvard University

Charles A. Myers, economist, Massachusetts Institute of Technology



Francis J. Robertson, attorney and arbitrator

Russell A. Smith, professor of law, University of Michigan

bility of a public agency that is aware of the needs of an expanding economy —an agency that is not ridden with bureaucratic incompetence and dominated by the interests they are supposed to regulate."

The union's aims may thus be twofold: To seek an overall Congressional study of the situation, with help from the incoming Kennedy administration; and to fight for jobs through the courts.

At this point, however, the trend to consolidation looks too strong for union opposition to reverse.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Legislation: Union Aid Vital

A shorter depreciation life for railroad rolling stock appears likely to win Congressional approval this year. The outlook is also bright for extending the agricultural and bulk-commodity exemptions to railroads. But most observers agree that whatever the industry accomplishes in Washington is going to require the active support of railway unions.

By WALTER J. TAFT, Washington Editor

TAFT

Prospects for the railroad industry's legislative program seem to depend upon the cooperation management can get from unions representing railroad employees.

Priority items on the program are: diversification, which means more freedom for railroads to operate other modes of transport; provision for adequate user charges on publicly-financed transport facilities; repeal or extension to railroads of Interstate Commerce Act provisions which leave trucking of agricultural products and water transportation of commodities in bulk free of regulation; and income-tax arrangements to shorten depreciation terms for railroad property and to permit accumulation of construction reserve funds.

Outlook for Depreciation

Prospects seem brightest for legislation which would provide a 15-year depreciation term for railroad rolling stock. There is some optimism in management circles that progress may be made on the proposals to extend the agricultural and bulk-commodity exemptions to railroads.

Railroad management hopes to obtain effective union cooperation in promoting its 1961 legislative program because the program generally is designed to bring about equitable conditions in the transport field and thus benefit employees as well as the railroad companies.

The mutual benefits of such an approach are emphasized by AAR President Daniel P. Loomis. He says:

"All railroad employees and their union leaders, as well as the public itself, have overriding stakes in ending the present transportation policy mess. Good jobs at good wages and the security of employment and income are more than ever the major concern of the union leader. Yet in realistic terms these benefits can come only from a dynamic and vigorous industry. Here the objectives of both management and labor meet and become one. . . . It seems that all too often union officials will expend their time, talent and energies on legislative objectives which would have the effect of creating or protecting a handful of jobs—while overlooking or passing up moves that could protect or create thousands of jobs."

Management is out to sell this idea to the union leaders and thus win their active support. The union leaders do not oppose any of the priority items involved except the diversification proposal. On that, the Railway Labor Executives' Association sometime ago took an opposition position which has not been changed.

The bright prospects for a 15-year depreciation term for railroad rolling stock arise from the feeling that railroad needs for such an arrangement can be sold as a special case. If the relief came as part of a general plan applicable to all industry, it might also provide a 20-year term for fixed property. The railroads also seek this but don't have a special-case showing to support it.

President-elect Kennedy is on record in favor of such tax relief. One of his campaign statements said it is necessary to keep American industry competitive with the "new and modern industrial plant" of Europe and the Soviet Union. "Wherever we can be certain that tax revision, including accelerated depreciation, will encourage the modernization of our capital plant—and not be a disguise for tax avoidance—we should proceed with such revision," the President-elect also said.

Although the construction-reserve proposal is recognized as one which promises "tremendous advantages" in the way of stabilizing equipment buying, it is not expected to be accepted by Congress this year. More educational work needs to be done.

The optimism regarding prospects for extending the agricultural and bulk-commodity exemptions to railroads is based on soundings which indicate that Congress is more disposed to equalize conditions by deregulating than by imposing additional regulation. For years, railroads called only for repeal of these exemptions, but the extension-to-railroads alternative was added a couple of years ago.

The alternative is now getting much more support than the repeal proposal, so the railroads intend to push it. Important transport-user interests have already endorsed it. Informed railroad officers think the position of users may become a decisive factor for Congress. Shipper support, like labor support, often supplies the push which puts transport legislation across.

The user-charge proposal may not get very far this year, but railroad legislative representatives feel this is something which will be sold to Congress before too long. They assert that there is no sound argument against it and that practically every President in the last 30 years has advocated it.

Meanwhile, however, President-elect Kennedy is on record with a campaign statement opposing user charges on waterways. And waterway interests have recently formed new organizations to fight the proposal.

Diversification May Take Time

The diversification proposal is another which may take a little time, but the outlook is considered hopeful. Railroads point out that the proposal got a full hearing last year before the House Interstate Commerce Committee and they think people are becoming accustomed to the idea.

In addition to RLEA's opposition, however, there is the vigorous opposition of water carriers and truckers. The chairman of the Senate's Interstate Commerce Committee, Senator Magnuson of Washington, has expressed doubt that Congress will do anything about the matter this year. Also, there

(Continued on page 27)

Outlook for 1961

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UNION AID VITAL FOR LEGISLATION *(Continued from page 22)*

is the appealing but, railroads think, invalid argument to the effect that all benefits sought could be realized by joint-rate and through-route arrangements between carriers of different types.

This is "wishful thinking," according to the railroad answer, as given by AWR President Clair M. Roddewig. "Unless the several modes of transportation are under common control and management," he says, "there will certainly be no voluntary effort to provide coordinated services in the shippers' interest. To claim that there are workable alternatives to intermode ownership is to dwell on theory and not on reality."

'Non-priority' Items Listed

Railroads, of course, have other proposals in their legislative program, and they will be advanced if opportunities to do so arise—provided such action will not interfere with progress on priority items. These "non-priority" items include proposals to require participation of the ICC in recommendations for construction of waterways, to prohibit air transportation of ordinary first-class mail, to liberalize competitive-bidding requirements of the Clayton Act, and to repeal the 10% fare tax.

The latter has much support in addition to that of the railroads, but government-revenue considerations are involved. The levy brought in more than $255 million during the fiscal year ended last June 30; and the failure last year to put over the proposed cut to 5% indicates that 1961 proposals along the same line won't be successful.

Meanwhile, the Railway Labor Executives' Association will also have a legislative program. It has not been fully developed, but RLEA Chairman George E. Leighty has said that the association will assign top priority to repeal or comprehensive revision of the 1958 Transportation Act's so-called train-off provisions. And the RLEA program will also include proposals to tighten labor-protection requirements in consolidation cases, and to give the ICC power to prescribe rules for operation of track motor cars.

Another provision of the 1958 Act which railroads may have to defend is the rate-freedom section. Water carriers and truckers are expected to repeat this year complaints like they made last year about railroad rate practices and ICC decisions in competitive-rate cases.

President-elect Kennedy's campaign pronouncements included a railroad-policy statement which had general comment on the plight of the industry and specific proposals calling for a census of transportation, government aid for railroad commutation services, and liberalization of benefit provisions of the Railroad Retirement and Railroad Unemployment Insurance acts. Congress is expected to give attention to the commuter-service problem, but RLEA Chairman Leighty says retirement and unemployment liberalizers are not on the Association's 1961 program.

From the head of Mr. Kennedy's executive Office for Oversight of Regulatory Agencies, James M. Landis, Congress may expect legislative proposals affecting regulatory agencies, including the ICC, and designed to implement recommendations of Mr. Landis' recent report (RA, Jan. 2, p. 8). There have also been Congressional studies of the regulatory agencies, so legislative proposals based on them may come from the Senate and House committees involved.

Also before Congress, specifically the Senate's Interstate Commerce Committee, will be the so-called Doyle Report. That's the report submitted to the committee by General John P. Doyle, retired, director of the study group created more than two years ago to consider problems left untouched by the 1958 Transportation Act (RA, Jan. 9, p. 7).

Makes Many Recommendations

This report makes numerous recommendations, which include that opposing the diversification proposal. The Doyle report, however, favors imposition on a gradual basis of user charges on publicly-provided transport charges, but it would not extend the agricultural and bulk-commodity exemptions to railroads.

In the latter connection, it does recommend rollback of the agricultural exemptions to the point where they apply not only to that for-hire transportation which moves exempt commodities from their point of production to the first point of unloading or transfer. As to the bulk commodity exemption, the report recommends its repeal in favor of mild regulation under which water carriers of commodities in bulk would be required to obtain licenses as contract carriers and file their minimum rates.

Among General Doyle's other recommendations are his proposals for a Federal Transportation Commission to take over economic regulation of all modes of transport and a Department of Transportation to take over or supervise all other federal-government activities in the transport field. The general emphasizes that his present report is a "draft" prepared for submission to committee members and his advisory council.

General Doyle has advised Chairman Magnuson that the committee should hold hearings before adopting the report as its own. If that advice is followed, the report won't have much effect in the way of promoting legislation this year.

Another transport presentation to Congress will be the annual report of the ICC. The report, due this week or next, usually contains several recommendations.

Last year the Commission made 13 legislative proposals. Many of these will be repeated and some important new Commission proposals may be made.

No More Anti-Strike-Law Talk

Meanwhile, the call for legislation to prevent or settle railroad strikes is no longer heard. This issue was to the the fore when the previous Congress adjourned about the time of the Pennsylvania strike. The end of that walkout eased the situation, as did the labor-management agreement to submit the so-called "featherbedding" controversy to a commission appointed by President Eisenhower.

If there is any legislation to deal with national-emergency strikes, it will probably be in line with views expressed by President-elect Kennedy. He opposes compulsory arbitration, but does favor broad Presidential powers to deal with strike emergencies. The President, he said, "should be given the freest choice of all possible measures," including "mediation, fact-finding with and without recommendations, temporary government operations, retroactive pay orders, and the right not to interfere at all."

Generally, Capitol Hill's climate for the railroads will not be much different this year than it was in 1960. Like its predecessor, the present Congress is under Democratic control, and Interstate Commerce committees of the Senate and House will have much the same memberships and the same chairmen—Senator Magnuson and Representative Harris of Arkansas.

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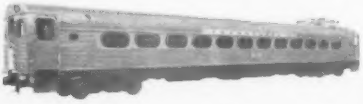

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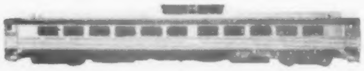

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M/W: 'Moderate' Increases

Maintenance-of-way engineers will find it necessary in 1961 to reconcile a continuing need for economy with a pent-up demand for repairs to track and structures. Major items of work—rail and tie renewals, track surfacing—are expected to show moderate increases over last year. Technological progress, aimed primarily at economies through greater efficiency, will continue at a fast clip.

By M. H. DICK, Engineering Editor

DICK

Cross currents and conflicting trends present in the maintenance of way and structures field may result in some sharp contrasts in 1961.

On one hand it is apparent that the need for economy will continue to be a dominant factor. On the other, it is equally apparent that years of skimpy allotments of materials and manpower have resulted, on some roads at least, in such a pent-up demand for repairs and renewals that substantial increases in maintenance work have become almost imperative.

This situation has resulted in some contrasts between individual roads that are probably unique in the history of American railroads. For instance, a large road that laid no new rail for renewal purposes last year plans to lay well over 16,000 net tons in 1961. Another road that laid 5,000 tons of new rail last year plans to increase its new rail tonnage this year to about 20,000 tons.

In contrast are those railroads that feel the condition of the properties is such that sharp cut-backs in new-rail programs are still permissible. One such road that laid about 15,000 tons of new rail last year has no new-rail program for 1961. Another is reducing its new-rail tonnage from more than 20,000 to about 10,000.

We do not find this conflicting situation with respect to tie-renewal programs for 1961. It is true that wide swings are planned on individual roads but they are mostly in the upward direction. Plans on many roads call for increases in tie renewals ranging up to 100% or more. Rare indeed are those roads that plan sharp cuts in tie renewals. The explanation lies in the fact that tie renewals on most roads have hit rock bottom and have no where to go except up.

Turning to the over-all picture for 1961, it seems likely, despite business uncertainties, that most categories of maintenance work will show at least moderate increases. This conclusion seems warranted in view of figures furnished to Railway Age by practically all the larger railroads indicating their plans for the year. Anticipation of such increases must, however, take into consideration the fact that the comparisons are with a year during which the amount of work done was at very low levels by any standard of measurement.

Take rail renewals as an example. Using figures furnished to this magazine by individual roads, it is estimated that rail renewals declined about 19% in 1960 compared with 1959, bringing the total for Class I roads to 382,000 net tons. This is the lowest figure in history. For 1961, estimates indicate that rail renewals will rise to 483,000 tons, an increase of 101,000 tons, or more than 26%, compared with 1960.

A similar situation prevails with respect to crosstie renewals. Estimates of this magazine indicate that Class I roads installed 14,650,000 new wood crossties in existing tracks in 1960. A decrease of 10% compared with 1959, this figure was also the lowest in history. For 1961 it is estimated that tie renewals will rebound to 16,650,000, an increase of about 13.5% compared with last year.

The declines that have occurred in rail and tie renewals in recent years reflect many factors, most of which have grown out of the need for economy. This is especially true with rail. Railroads have used every possible means to extend the life of rail, including out-of-face grinding, repair of battered rail ends by welding, lubrication of rail on curves, use of alloy or heat-treated rail on the sharper curves, maintenance of better track surface, and, more recently, extension of the practice of cropping the ends from rails in track.

While these measures have been effective in extending the life of rail, this alone is not sufficient to justify the low state of rail renewals today. At the rate at which rail is now being renewed on some roads it will be a hundred years or more before all rail now in track is replaced. No track man believes that rail has anywhere near this much service life. This means that a day of reckoning will come when rail-renewal programs will have to be sharply increased to replace rail that can no longer be left in track.

Crossties present a somewhat similar picture. Many ways have been devised for extending the life of ties. Yet no one believes that ties are lasting as long as would be indicated by present renewals. (Average annual tie insertions of 62 per mile for the 5-year period ending with 1959 implies an average life of more than 50 years, which, track men say, is considerably longer than is indicated by actual experience.)

A development that track men say contributes to the longer life of rail and ties is the practice on most roads of doing more out-of-face track surfacing than in the past. The practice has been made possible by the availability of machinery and devices that have vastly increased man-hour production. With modern equipment a gang of eight or nine men can now surface a mile of track a day. In past years a crew of 50 men could be expected to tamp no more than about 3,500 ft a day.

Most roads have placed track-surfacing operations on a cycle basis. The cycles run anywhere from two to five years. Relatively frequent surfacings are the vogue. Sixty railroads reported to this magazine that they surfaced 22,400 miles of track in 1960. These same roads indicate they plan to do an increased amount of work in this category in 1961, with 25,600 miles slated to be tamped out of face.

Track surfacing is only one example of the savings railroads are realizing by

(*Continued on page 32*)

Outlook for 1961

Close-up of TOCCO Work Station for heating rivets.

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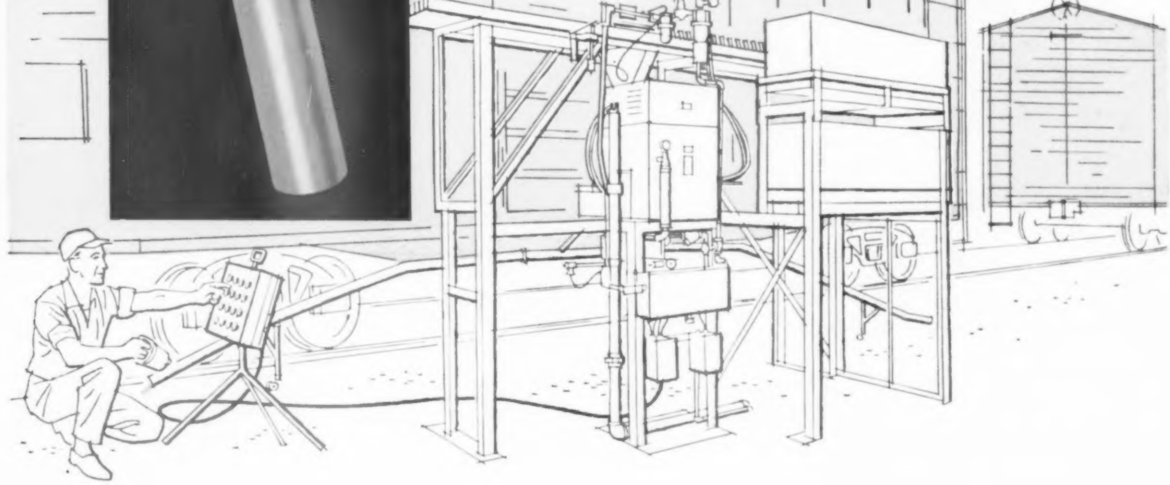

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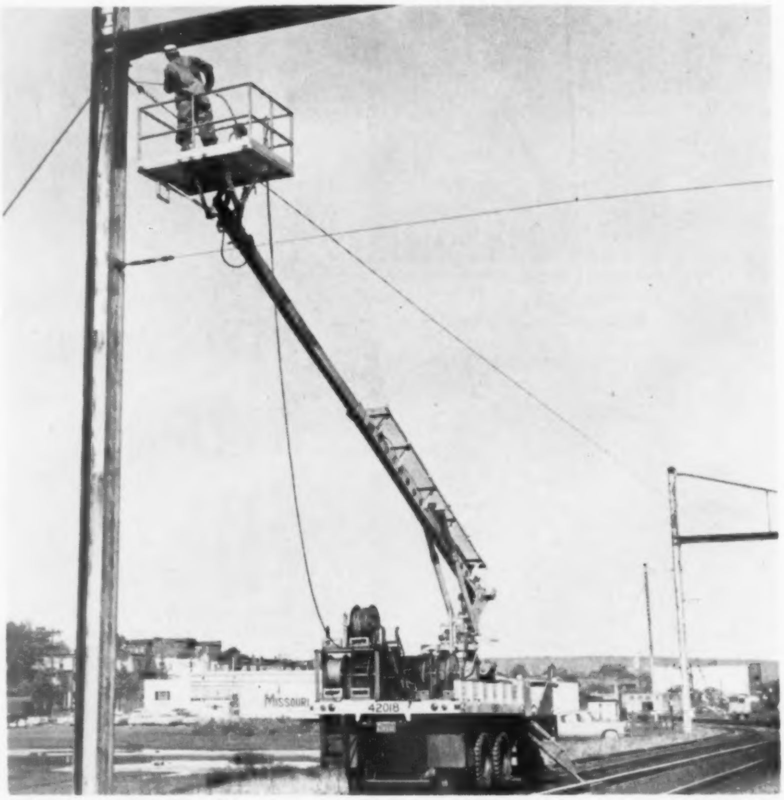
using machinery for maintenance work. Equally striking economies are being realized in bridge and building maintenance. One road, by using modern spray equipment to paint a passenger station interior, was able to do the work for 4½ cents per square foot. When the same station was painted with brushes seven years ago, the cost was 19.4 cents per square foot.

With such savings to be expected it is not surprising that railroads as a whole have continued to make heavy investments in labor-saving machines and devices. Based on reports made by most roads to this magazine it is estimated that more than $35 million was spent in 1960 for such equipment, including units acquired on a lease basis. It is thus apparent that equipment purchases are being maintained at the same high level that has prevailed for a number of years.

Aware of the urgent need for economy in railroad maintenance, equipment manufacturers have pushed development programs aimed at improving existing machinery and bringing out entirely new units. It can be expected that many new and improved machines will be on display at the NRAA exhibit to be held at Chicago in March in conjunction with the annual meeting of the American Railway Engineering Association.

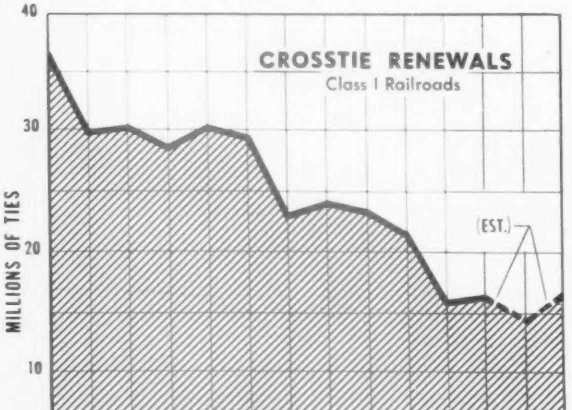


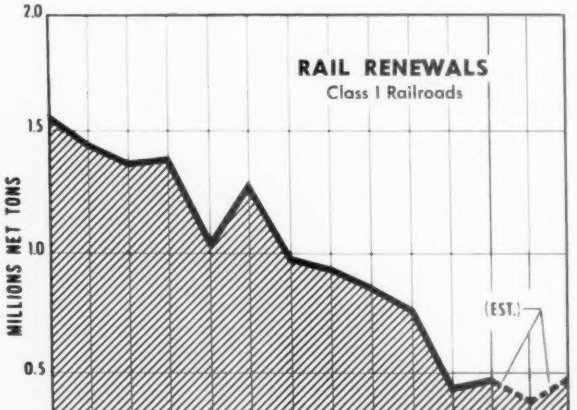
SPRAY PAINTING of catenary poles on PRR typifies modern maintenance methods that are realizing striking economies for today's railroads. Telescoping boom is mounted on carrier with flanged wheels.

It can also be expected that 1961 will be an active year in fields of technology other than mechanization. Efforts will be intensified to solve the costly shelly rail problem. Interest will continue to be shown in other means of increasing the service life of rail, including cropping rails in track, and the search will continue for a practical means of eliminating the joint effect in existing rail without removing it from track.

It can also be expected that additional installations of concrete ties will be made.

In the field of structures there will be continued emphasis on low-cost buildings of various types, economy-type coatings for bridges, and use of prestressed concrete.





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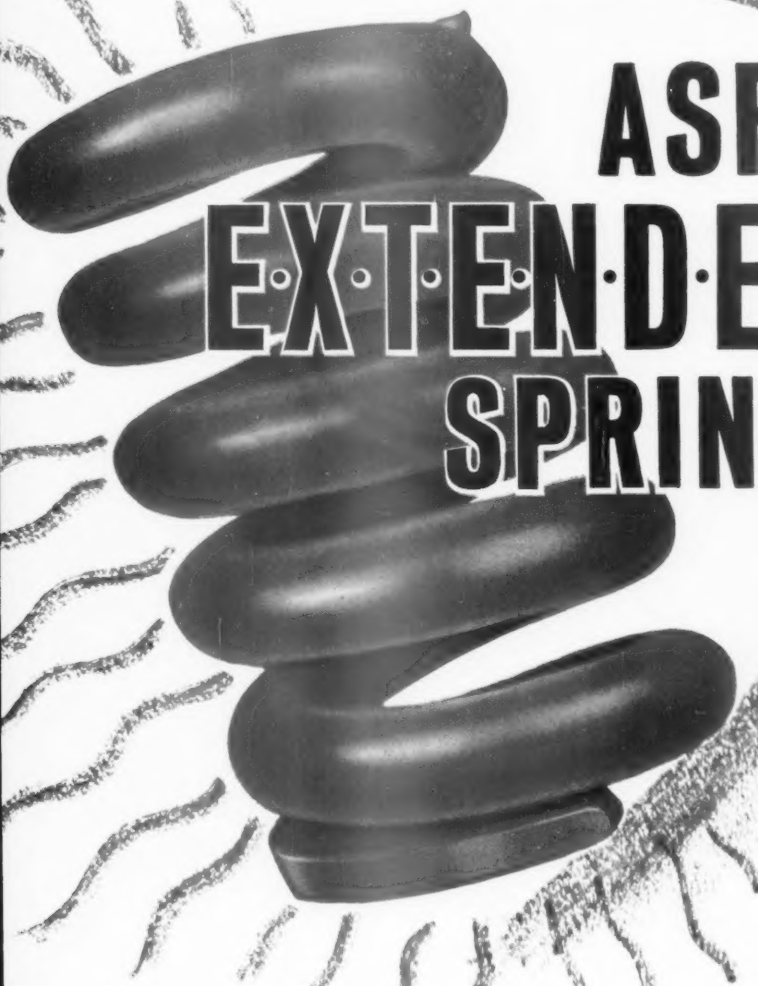

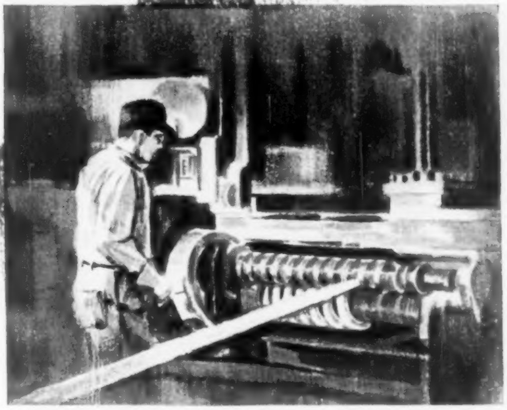

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Spending to Rise with Traffic

Railroad carloadings in the first quarter of 1961 will continue near present levels. Some improvement is expected later in the year, possibly beginning in the second quarter. Purchasing and capital spending may exceed 1960, with the outlook hinged to when the traffic increases begin.

By J. W. MILLIKEN, Director of Research

MILLIKEN

As railroads face into the new year the traffic outlook is far from bright. Prospects for the 1961 first quarter, particularly, are not likely to make anyone jump with joy, but signs are beginning to point to improvement in the second quarter. Carloadings for the entire year should end up about 3 million ahead of the 1960 figures of approximately 30.3 million. This is in line with the earlier forecast, made late in September, of 33-34 million carloadings for 1961. Actually, the lower of these two figures now seems to be about the best railroads can expect for this year. For the first quarter, 6.5 million loadings would seem a reasonable estimate.

As this was written, with carloadings figures for 50 weeks available, traffic for 1960 was running about 500,000 loads behind 1959 levels, and about 200,000 ahead of 1958. The 1960 loss, when compared with 1959, occurred largely in products of manufacturers—specifically the "lcl" and "miscellaneous" categories in the AAR carloadings breakdown. Obviously, in spite of increases in piggyback traffic and other rate actions designed to pick up high-rated traffic, the diversion to truckers continued during the past year.

Reasons for Optimism

To some extent heavier loading may have offset the decline in loadings of such products.

The signs pointing to a mild improvement in carloadings for 1961 are virtually the same as those enumerated in September: it looks as if 1961 will be another good year for automobile production, homebuilding activity will increase somewhat, public — especially highway—construction and defense expenditures will be rising, etc. At the time of the September forecast, the rate of inventory accumulation was slowing rather abruptly. Now for industry as a whole, it has ceased entirely, and big chunks are being taken out of manufacturers' (particularly) stocks. It seems almost certain, therefore, that buying for production purposes, if not for inventory accumulation, will have to be resumed in 1961. Production still is at a rather high level.

Optimism about the housing picture for 1961 has been reinforced recently by a survey done by the American Builder magazine, Railway Age's companion publication in the construction industry. (Any upsurge in housing activity brings the railroads a lot of business.) In the Builder survey, about 6,000 builders from every state in the Union reported on prospects for 1961 in their local housing markets. By and large, these builders are bullish. They think they'll build 32% more houses this year than they did in 1960. While any such increase borders on the fantastic, it does indicate hope that 1961 will be a more active housing year than was 1960.

Piggyback during 1960 showed gains of about 33% over 1959 traffic. To a great extent this gain was due to traffic in new automobiles, plus Plan III and IV business from the freight forwarders. The automobile traffic, of course, is primarily new business, while the forwarder business in some part (exactly what part no one seems to know or want to talk about) has been taken out of the box car and placed in the trailer-on-flat.

Since the automobile manufacturers seem determined to increase the number of cars being piggybacked, this traffic probably will continue to grow during 1961—assuming no luck on the part of the Teamsters' union in its recently-announced campaign to put a stop to this practice. In spite of such moves, however, growth of 15-20% in piggyback during 1961, over '60, probably should be regarded as satisfactory. This "guesstimate" assumes no major changes in the conditions, regulatory and other, under which the railroads operate their piggyback services.

Outlook for 1961

Purchases and capital expenditures during 1960 probably totaled almost exactly the 1959 figure of $2.25 billion, of which some $818,000,000 was spent for the capital account. And with gross revenue prospects for 1961 being little better than those of 1960 there seems little hope that these buying figures will increase greatly. However, if the traffic picture turns out to be close to that predicted for 1961, total spending may rise into the $2.3-$2.4 billion range. Much depends on the precise timing of the expected traffic increases. Prices should be relatively stable in '61, and will play little part in any year-to-year increase in purchases.

50,000 New Cars Possible

Going into the new year, the backlog of freight cars on order is in the neighborhood of 20,000, with a total value approximating $190,000,000. Weighing this factor, and the traffic prospects for 1961, it is difficult to see how railroads can be expected to order more than 50,000 cars this year, with most of those orders coming in the latter part of the year. If indeed that turns out to be the case, deliveries probably will total somewhere between 40-50 thousand freight cars. Something like 600 new or completely rebuilt new diesels will be put into service also.

There will be little buying of operating materials and supplies for inventory this year. At this time the Class I roads have inventories of approximately $590,000,000. While these inventories probably will not shrink much, it is almost a certainty that they will not increase substantially during the year ahead. "Austerity" is likely to be the word best describing the railroad buying picture in the next few months.

With piggyback the main growth element in the railroads' freight traffic picture, it is certain that a large proportion of the freight cars ordered will be flats. Racks for handling autos probably will be bought in substantial volume. However, some roads are indicating that they now think trailers will replace the racks they're using. Trailers, they say, give them flexibility at low cost that's lacking with racks on flats.

Rate Men Ready for Action

Efforts to modernize the railroad rate structure may score significant breakthroughs in 1961. Rate research groups are now well-established; data needs are largely standardized. With some precedent cases behind them, and considerable agreement on principles, rate men are ready to move ahead.

By GARDNER C. HUDSON, Traffic & Transportation Editor

HUDSON

Less than five years ago railroads began the herculean task of updating their freight rate structure. Their objective was to hold or regain traffic by replacing outmoded pricing methods with a system of charges more in keeping with today's highly competitive transport conditions. The work got under way with a burst of enthusiasm —but its progress, in the minds of some, has been disappointingly slow.

Now, however, there are encouraging indications that real gains may be achieved in the comparatively near future. Here are some of the favorable factors:

• Organizations charged with the responsibility of recommending traffic-attracting, competition - defeating rates are well established. These include joint groups maintained by Eastern, Transcontinental, Mountain-Pacific and Southwestern-Western Trunk Line railroads. They include also individual research departments, staffed by from one to 16 people, on at least 20 Class I railroads, including some of the country's largest. Eleven of these 20 groups are actively engaged in rate and/or market research, and most of the others presumably supply basic data used in rate formation. Eighteen of the 20 departments are less than six years old; some are still too new to have produced much in the way of tangible results. But the idea of research as a rate-making tool is widely accepted, and the organizations needed to do such research are largely in being.

• There is general agreement, at least among the inter-railroad groups, on the kind of data needed for effective rate calculation, and on means of obtaining that data. Necessary information includes the character of the commodity under study; the volume in which it is produced; the area in which it is produced and marketed; the practices by which it is sold; its traffic potential; its present rail movement; its rate structure; and rail and competitive costs of moving it. Much of this knowledge, research men find, can be obtained from information published by the industry itself, or from available traffic statistics, including ICC waybill studies and Census Bureau reports. To an increasing extent, however, they are relying on interviews in depth with shippers.

• Some measure of agreement has been reached also on some—but not all—of the principles to be followed in establishing rates when the research has been completed. "There seems to be near unanimity among outstanding transportation economists that rates should be based primarily on cost," says J. C. McMichael, chairman, Special Rate Committee, Commercial Research Department, Traffic Executive Association—Eastern Railroads.

• Perhaps most important of all, Eastern railroads at least have convinced the ICC of the soundness of their general approach and of many of their specific proposals. To quote Mr. McMichael again: "The paint case, which is becoming a landmark, is the only litigation encountered so far. Nearly every one of our proposals have been protested by motor carrier interests [but] our answers to the suspension board have so far—knock on wood!—been 100% successful, because we endeavor to keep our recommendations carefully within the interpretation of the law as laid down by the ICC in its decision in the paint case."

Some obstacles, however, remain.

(1) Rate and market research, and its results, haven't won universal acceptance even within the railroad industry. Many carriers still lack any research department worthy of the name, and, even where such departments exist, they sometimes have trouble selling ideas which break with traditional railroad procedure and pricing.

(2) There is intense opposition, from competitive modes of transport, to establishment of rail rates based on out-of-pocket rather than on fully-distributed costs. And there is no general agreement among railroads, shippers and regulators as to whether rail rates should be set just above rail costs or just under competitive costs, in cases where the difference between the two is great enough to allow maneuvering room (RA, Dec. 19/26, 1960, p. 54).

(3) Existing law—or regulatory interpretation of it—prevents application of certain types of rates, e.g., guaranteed, agreed or contract charges, which Canadian experience indicates could produce an important volume of traffic.

(4) Available cost data still leaves much to be desired.

Balancing the two sets of factors permits these informed guesses about the future:

• Rate and marketing research, perhaps with such refinements as growing experience may dictate, will win increasing acceptance within the railroad industry. This is likely to mean organization of more research departments by individual railroads; enlargement of existing departments, and readier acceptance of whatever proposals they make.

• There will be more and more rate proposals of types already approved in principle by regulatory authorities, notably incentive rates, to induce heavier loading of individual cars; and volume rates, to encourage regular point-to-point movement of high-tonnage commodities moving in multi-car lots.

• There will be continued effort to meet localized competition—that, for example, of the St. Lawrence Seaway —by individual reductions on specific commodities where such reductions will hold or regain traffic at charges which will return something above out-of-pocket costs.

• There will be continued search for new types of traffic-attracting rates, e.g., guaranteed or contract charges; non-transit rates, to meet competition into processing points on commodities

(*Continued on page 76*)

Outlook for 1961

Car Builders Look for Upturn

Any substantial traffic upturn in the coming months will be followed shortly by an increase in freight car orders. Roads have generally been acquiring specialized cars where rapid return on investment is assured. Meanwhile, the general service fleet has declined in size and condition, making it a prime target for improvement when traffic picks up.

By F. N. HOUSER, JR., Associate Editor


HOUSER

If rail traffic does increase by mid-year, as most predictions indicate, railroads will probably begin to order freight cars at a rate out of proportion to the traffic pick-up. This "leverage" is due to the poor condition of many of the general service cars on American rails, and also to the reduction in overall capacity which has resulted from the large car retirements of the past two years.

"There is nothing in the railroad picture which an increase in carloadings wouldn't help," S. D. Moseley, assistant to president, General American Transportation Corp., told Railway Age recently. "As members of the 'six-month club,' we believe that a business upturn at mid-year will result in car buying which . . . will make 1961 an average to good year."

Similarly, Pullman-Standard reports it is hopeful about 1961 and continues to be optimistic about the long-range railroad situation. P-S expects car orders to increase. There is a possibility that these will not be large orders in all cases, but they will include a variety of specialized cars with equipment to reduce damage and cut costs of materials handling and transportation.

Piggyback products will be stressed by ACF Industries during 1961, according to W. T. Taylor, ACF chairman. "This new and growing source of revenue for railroads finds its strength in favorable cost factors," he said, citing the return of long-distance new automobile movements to railroads during 1960.

"For 1961," Mr. Taylor said, "our engineers are anticipating demand for special equipment for new piggyback ladings, such as truck tractors, liquids and semi-liquids, boats, house trailers, and livestock." These new ladings, technological advances, and larger flatcar fleets will boost piggyback carloadings to more than 700,000 in 1961, Mr. Taylor predicted.

In spite of such views from the car builders, however, the 1961 outlook as seen by suppliers of freight car components is tinged with caution. J. B. Lanterman, president of American Steel Foundries, did point out recently that freight car retirements have exceeded the number purchased or built for several years. "This lends optimism because of the need of railroads to maintain an adequate freight car fleet," he said.

At the beginning of 1961 the American Iron & Steel Institute ceased its practice of reporting weekly U.S. steel output as a percentage of total productive capacity. This figure, the Institute said, was subject to misinterpretation because of the increase in total steelmaking capacity in recent years.

Similar erroneous conclusions might also be drawn if 1960 and 1961 freight car orders and present total car ownership are compared with figures of a decade ago. Even though the recent totals may be smaller, many cars being acquired today are far more efficient and useful than earlier cars. This means that today's cars can do a transportation job for railroads and railway customers that once would have required many more cars.

Great emphasis is being placed on maximum capacity and improved load-to-tare ratios. During 1960, 750 aluminum-bodied 100-ton Southern gondolas and 1,000 alloy-steel 85-ton Norfolk & Western hoppers went into coal service. Both designs have the cubic capacity for this coal-handling job; previous open-top cars carried on a pair of two-axle 90-ton trucks did not have large enough bodies. Another road is now reportedly designing a 90-ton alloy-steel hopper for coal service.

There has been similar growth in tank-car capacity. Cars went from 18,000 gallons to 20,000 gallons and then to 22,000 gallons. This was topped by the production of 85-ft. 30,000-gallon propane tank cars by Union Tank Car Co. during 1960.

All these higher-capacity cars indicate a changing railroad picture in which railroads are concentrating on large-volume transportation services.

Both high capacity and a new service concept are combined in the three-deck automobile transporters which have been going into service recently. Here is another freight car design whose length equals that of the latest passenger equipment. Rapid customer acceptance is evidenced by the number of these cars placed in operation since the Frisco began this type of service last spring. Some auto transporters are converted piggyback cars. The racks used for the conversion can be removed and the cars returned promptly to their original trailer-handling assignments.

The AAR Mechanical Division has just adopted a standard interchange code for trailers and containers. This covers acceptance both of railroad and non-railroad owned trailers for TOFC movement, establishes repair charges, and sets up regulations comparable to those previously applicable to interchange freight cars.

About three-quarters of the flat cars ordered last year were for TOFC or container service. This resulted in an increase in total flat-car ownership during a period when ownership in most car classifications was dropping. Another increase was recorded for the covered-hopper fleet, which went up by 2,500 units during 1960.

The sliding center-sill principle used in conjunction with a hydraulic cushioning device seems to be the almost universally accepted method of providing maximum protection to the most fragile box car ladings. Use of this long-travel principle has been extended to other types of cars, and these applications will probably increase. This is a typical example of the investment which today's railroads are ready to make to hold or increase traffic. There seems to be little doubt that in 1961 roads will be ready to spend money to provide their customers with improved freight equipment.

Outlook for 1961

SAFE WITH SERVOSAFE®

Experience counts when you're talking about hot box detection

Railroad Products Division Chief Technical Advisor William Pelino (left) discusses details of the SERVOSAFE® Hot Box Detective system at trackside with Frank R. Woolford, Chief Engineer of the Western Pacific. Electronic engineer Pelino has removed the housing to show how infrared scanner employs patented "slant-aspect viewing" method to focus on optimum trailing edge of passing journal box.

No one understands real experience better than a railroadman. It's the incomparable knowledge, skill, technique, and judgment that comes only through being actively engaged in a particular kind of work for an extended length of time.

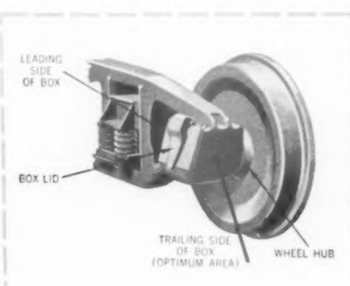
In evaluating modern hot box detection systems, railroad veterans naturally have high regard for Servo Corporation of America. Understandably so. Pioneers early in 1952 of the SERVOSAFE® Hot Box Detective* system, Servo's Railroad Products Division can speak with the authority of experience.

Substantiating this confidence is the experience of 28 major Class I railroads on which several hundred patented Detective systems have amassed approximately *3 million hours* of successful operation over the past 4 years. What finer tribute and testimonial!

"There's no substitute for experience," it has been said with wisdom. This maxim holds especially true when you're talking about something as important as the *hot box,* and the best way to *detect* it.

Naturally, any railroad signaling and communications system such as the Hot Box Detective requires unusual knowledge, skill, and judgment in its application. With eight years of application engineering behind them, right at trackside, Servo railroad electronic specialists can make expert recommendations as to which of the *six* successfully operating SERVOSAFE systems should be installed at particular sites on particular roads. They can suggest best locations for scanners, recorders, hot box locators, and automatic alarms to provide peak efficiency and greatest operating flexibility and convenience.

Be safe with SERVOSAFE. Just give your experienced Servo man a call.



TRAILING EDGE SHOWS HOT BOX BEST

Tests conducted by a major Eastern railroad prove that the trailing edge of the journal box presents the optimum accessible area for hot box inspection. Presenting a low-mass path of thermal flux from the bearing, this spot responds most rapidly to bearing temperature changes. The SERVOSAFE® "slant-aspect viewing" method of scanning this optimum area is protected by Servo patents both in the U.S. and abroad. Hot boxes—as well as developing hot boxes—can best be detected the SERVOSAFE way.

**Protected by U.S. & Foreign Patents, including U.S. Patents No. 2,880,309, No. 2,947,857, and No. 2,963,575. Other U.S. & Foreign Patents Applied For.*

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Savings— One road reports savings of over $100,000 per installation per year, allowing amortization of the equipment in approximately one month.

New patent— Patent No. 2,963,575 covering automatic alarm hot box detection devices was issued to Servo Corporation of America on Dec. 6, 1960. Granting of this latest patent now protects with three patents various infrared detection systems pioneered and marketed by Servo Corp.

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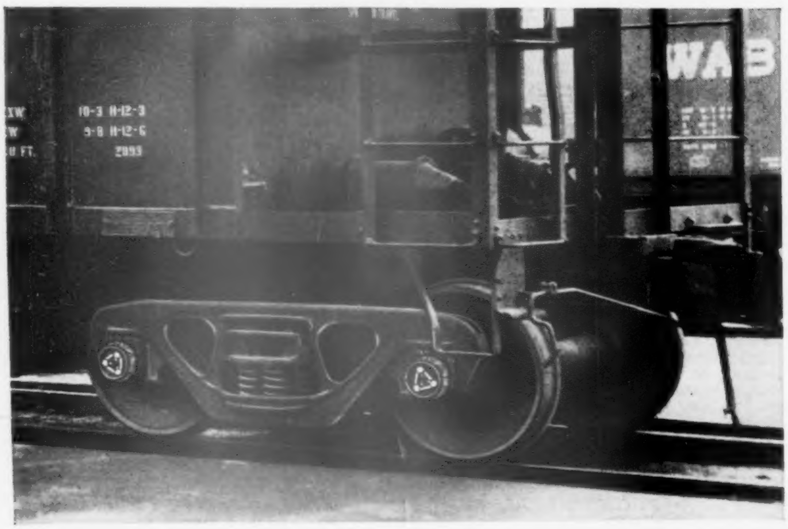

A Hyatt taper freight bearing installed in a pedestal type side frame. Hyatt taper freight bearings may be used interchangeably with other freight car roller bearings. Either a wheel press or hydraulic jack can be used to press on bearings.

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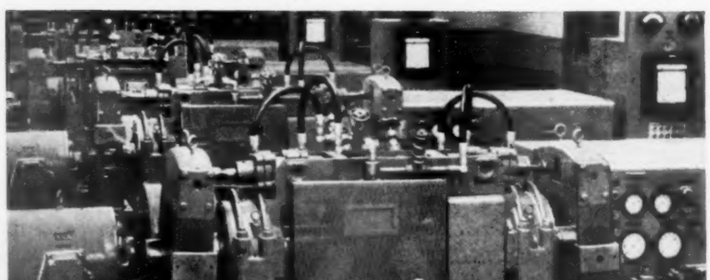

Precision proves itself here in the Hyatt laboratory where hundreds of the Hyatt taper freight bearings passed their tests under excessive radial and thrust loads at speeds far beyond any they could be expected to encounter in actual service.

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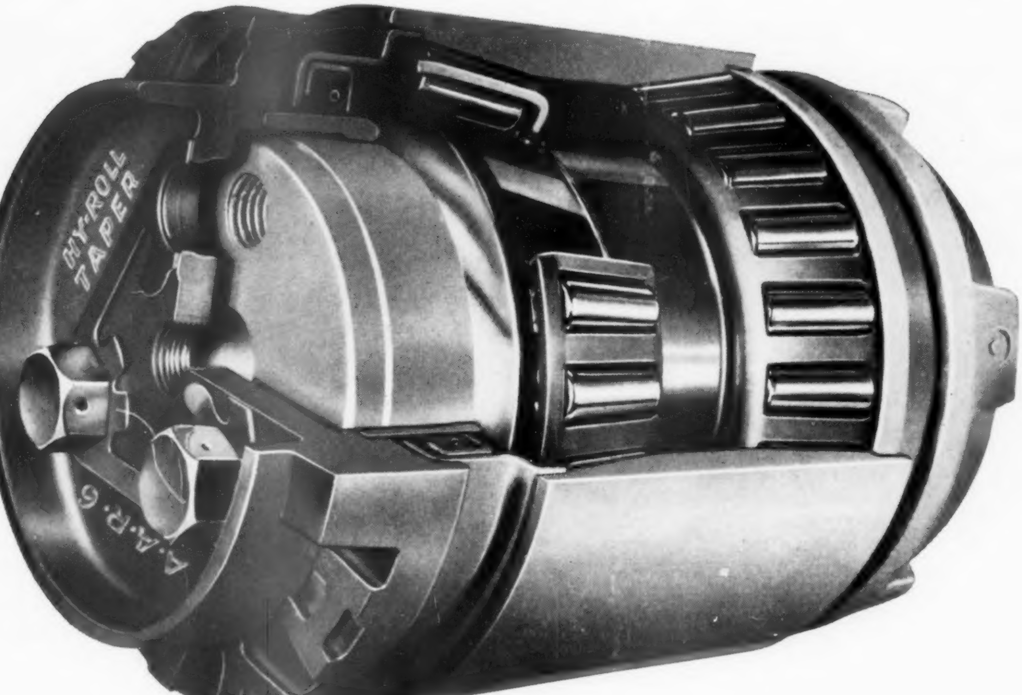

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RRs Plan $60 Million for S&C

Railroad plans to expand signaling and communications facilities in 1961 show no great departure from the improved 1960 level. Responding to a sample survey, 28 roads told Railway Age they will invest $47,334,140 in signaling installations in 1961; and 20 roads plan to spend $5,891,790 for communications. Total S&C outlays could reach $60,000,000.

By ROBERT W. McKNIGHT, Signaling & Communications Editor

McKNIGHT

Of 36 railroads reporting to Railway Age's survey of proposed signaling facilities for 1961, 30% plan to spend more money than in 1960, and 33% plan to spend the same amount of money this year as last year. Of 31 roads reporting on proposed communications facilities, 22% plan to spend more money this year than last and 35% plan to spend the same amount. Although six major Class I U.S. roads and the two transcontinental Canadian railroads indicated that dollar estimates were not available at this time, it is safe to assume that the proposed $47,334,140 expenditure for signaling will run $50-55 million. Similarly, the $5,891,790 reported for communications installations could approach $8-10 million.

A brief listing of the signaling and communications installations planned by various railroads appears below. (This list is not complete because several railroads do not want to be identified with specific projects.)

Bessemer & Lake Erie: Signaling—200 oil switch lamps changed to battery operation; one installation of automatic gates and flashing light signals; three hotbox detectors. Communications—dispatcher controlled radio system, increasing number of wayside stations from 8 to 17, and providing means so either the dispatcher or a train crew could initiate a call to the other; two sets of locomotive radio and five sets of caboose radio.

Chicago, Milwaukee, St. Paul & Pacific: Signaling—modernization of five interlockings; relocation of two CTC machines; modification of 16 highway crossing protection layouts; purchase of several units of labor saving equipment. Communications — five hotbox detectors; base radio stations; renewal of 34 radios in engines and cabooses; voice carrier additions for expanding dial telephone system; and communications additions for electronic data processing.

Clinchfield: Signaling—electric locks on three industry sidings.

Delaware & Hudson: Signaling—remaining one-third of Afton to Crescent, N.Y., CTC; Plattsburg to Rouses Point, N.Y., CTC; highway crossing protection equipment at 11 crossings.

Denver & Rio Grande Western: Signaling—CTC Kobe to Salida, Colo., and Colton to Soldier Summit, Utah. Communications — completion of microwave and high-speed facsimile system.

Georgia & Florida: Signaling—several highway crossing protection installations under federal aid program.

Great Northern: Signaling — highway crossing protection equipment at five grade crossings; an automatic interlocking; four dragging equipment detectors; 555 ft of slide detector fence, 115 miles of CTC. Communications—12 carrier telephone channels between St. Paul, Seattle and intermediate points; seven Teletype machines; four base radio stations; dispatcher controlled wayside radio expansion by addition of six sets of control equipment; insulated line wire erected and transposed for 150 kc on 361 additional miles; addition of message circuit dialing on one division.

Louisville & Nashville: Signaling—completion of Mobile-New Orleans CTC. Communications—Teletype and radio equipment; yard loudspeakers and other communications systems at Wauhatchie Yard, Chattanooga, Tenn.

New York Central: Signaling—CTC: Croton to Poughkeepsie, N.Y., Carson to Thornhill, Ohio, Schenectady to Syracuse, N.Y., Berea to Toledo, Ohio; highway crossing protection; hotbox detectors. Communications—communications for new electronic retarder yard at Detroit.

Outlook for 1961

New York City Transit Authority: Signaling—BMT Myrtle Avenue Line: interlocking at Metropolitan Avenue and Fresh Pond Yard; IRT Lexington-Fourth Avenue: modernization of signaling and interlocking consolidations, 86th Street to 125th Street; IND: automatic interlocking, 205th Street; BMT-IND: signaling for Christie Street subway; IRT Flushing Line: new interlocking, Willetts Point Boulevard station; new signaling Corona Yard, providing for 11-car train operation as part of the 1964-65 Worlds Fair; relocating signals in conjunction with platform extensions throughout the transit system.

Norfolk & Western: Signaling — traffic control systems and addition to classification yards. Communications—additional radio equipment at base stations and on cabooses; additional carrier equipment for telephone service; additional dial telephones.

Pennsylvania: Signaling—CTC, Titus-Lebanon, Ind. (26 miles), Brockton, N.Y.—Oil City, Pa. (86 miles); highway crossing protection equipment at 60 grade crossings. Communications—carrier on existing cables to provide direct dial telephone service for New York, Philadelphia, Wilmington, Baltimore and Washington.

Seaboard Air Line: Signaling — 21 automatic hotbox detectors; one high load detector; highway crossing protection equipment at 35 grade crossings.

Spokane International: Signaling — highway crossing protection at three grade crossings.

Additional railroads, while requesting anonymity are planning extensive installations of centralized traffic control, highway crossing protection equipment, and modernization of interlockings, including conversion of attended plants to automatic interlockings without operators. Survey reports indicate that at least 100 hotbox detectors will be installed in 1961. Communications installations planned for 1961 include voice carrier communications, particularly for intercity dialing. Several railroads, not desirous of publicity, expect to start microwave installations this year. VHF radio is also high on the

(Continued on page 47)

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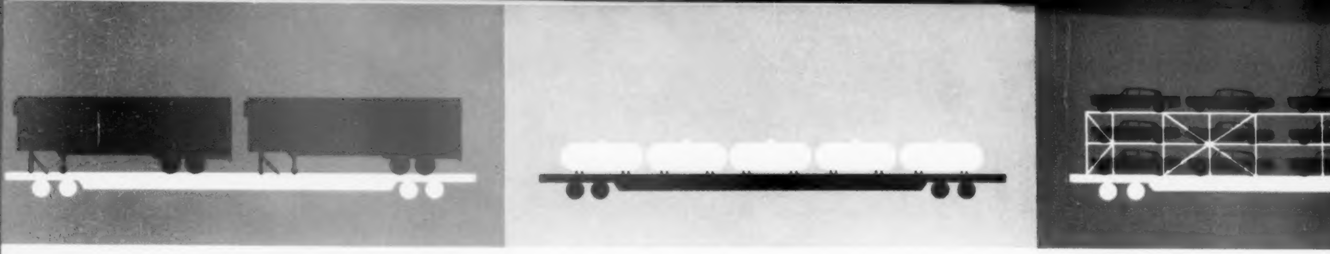


list for budget expenditures. Many roads are replacing older equipment with transistorized models.

Thus, despite gloomy predictions being heard at year's end, railroad signaling and communications officers have budgeted (many of them reported approval of these budgets) for new and improved equipment. Such planning in these areas is particularly warranted on two grounds: not only do signaling and communications facilities improve railroad operations, but they generate operating savings sufficient, in many cases, to pay their cost fully in short periods of time. New electronic retarder yards, for example, often pay for themselves in three years.

1960 Was a Good Year for S&C

Railroad signaling and communications installations bounced back from the 1959 trough to new peaks. The 7,931 units of signaling equipment installed in 1960 were more than in any other year since 1956. Communications units totaling 9,177 set an all-time high since Railway Age has been collecting statistics from U.S. and Canadian railroads. This 1960 total was a jump of 2,092 units over 1959.

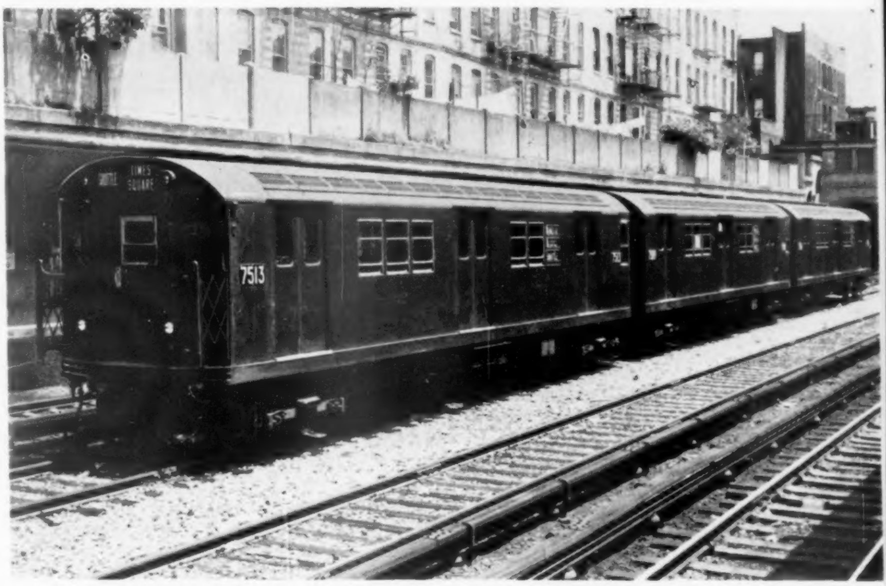
Sparking the renewed signal activity were centralized traffic control, spring switch installations and safety devices. In the latter category, these devices were installed last year: 17 dragging equipment detectors, 141 hotbox detectors, 49 high water detectors, 15 broken wheel detectors, 25 fill slip detectors and 32,966 ft of slide detector fence.

Retarder yard installations completed during the year, as reported to Railway Age, were: CNR—Moncton, N.B., and Montreal, Que.; NYC—Indianapolis, Ind.; and StLSW—Pine Bluff, Ark.

Railroad radio, carrier equipment and teletypewriters installations scored the greatest gains among communications facilities constructed in 1960. Mobile radio equipment installed last year totaled 2,803 units, and base stations recorded a jump of 714 over 1959. Base radio station installations more than doubled—233 installed in 1959 and 583 in 1960. Walkie-talkie purchases by railroads scored a 69% increase—1,534 bought last year compared with 905 purchased in 1959.

Printing telegraph reperforator purchases more than doubled in 1960 compared with the year before. The increase was from 104 to 240. Teletypewriters increased from 421 in 1959 to 725 last year. Carrier terminal and repeater equipment installations, while gaining over 1959, about equaled 1958. About 10% of the 3,030 carrier equipment installed last year was represented by microwave carrier terminals and repeaters.

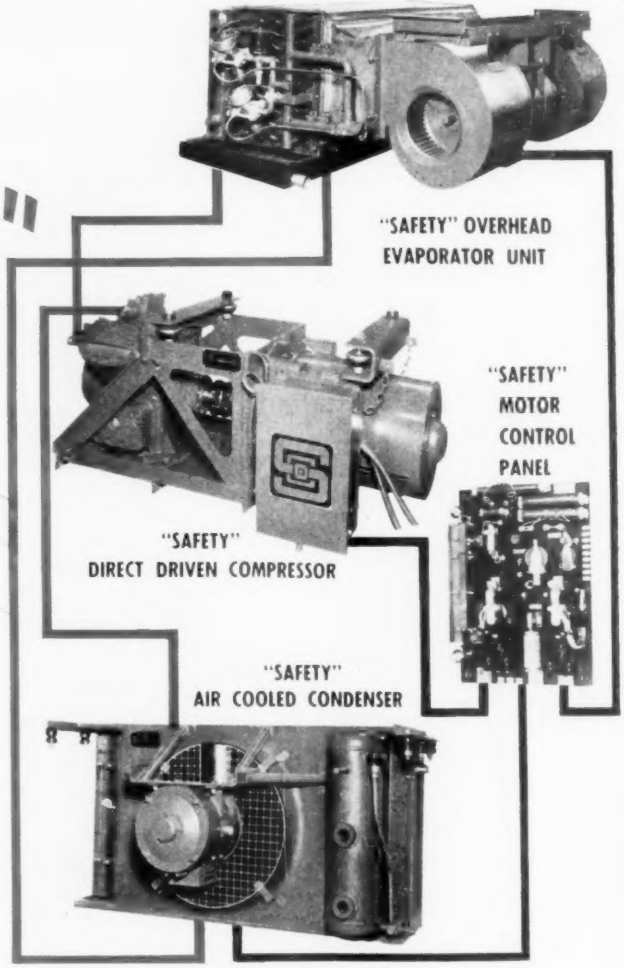
Ten fewer automatic telephone exchanges were installed last year than in 1959, but 2,535 more dial phones were installed in 1960 than the year before.



AUTOMATIC TRAIN OPERATION made a significant break-through in 1960. New York City Transit Authority demonstrated its Times Square-Grand Central Terminal crewless shuttle subway train. Similarly, Canadian National tested a crewless freight train.

REMOTE CONTROL GRAVEL TRAIN is in operation on the Quebec North Shore & Labrador. These developments showed that automatic train operation is technologically feasible now. But the big problem is the attitude of labor.

KEEP YOUR CARS ROLLING AND COOL WITH "SAFETY" AIR-CONDITIONING SYSTEMS



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1960 REVIEW OF RAILWAY OPERATIONS

By J. ELMER MONROE, Vice President, Association of American Railroads, and Director, Bureau of Railway Economics

Highlights of the Year

Developments in 1960 in wage matters as well as in other respects highlighted another troublesome year for United States railroads.

Traffic volumes were disappointing; wage and other operating costs continued their uninterrupted postwar upward courses; net earnings declined for the fifth consecutive year; equipment supplies were further reduced. Above all, the nation's legislators again failed to come to grips with the basic problems besetting the transportation industry in general and railroads in particular.

While it was small comfort to them, rail carriers were not alone in the depressing atmosphere in which they operated in 1960. Other forms of commercial transportation in the U.S. experienced financial difficulties during the year notwithstanding the fact that the volume of traffic available for transport in 1960 was at or close to the all-time peak. It was a case simply of the excessive costs involved in operating too many duplicate and unneeded facilities of transport.

This points up, if indeed further emphasis is required, the need for formulation of national policies directed to the development of efficient and economical transportation systems in the United States, privately operated, unsubsidized and enabled to offer services by rail, by highway, by pipeline, by waterway, or by air, for greater economy and improved service.

In the year 1960, while Class I railroads experienced a further loss of over 20% in their already depressed net income, the net income of the motor carriers is estimated to have dropped by more than 40%, and earnings of the airlines also declined precipitously.

Current net earnings of railroads, and, to an extent, of other commercial carriers also, are not adequate to service the cost of the capital invested in them, let alone to provide the supplements to depreciation charges necessary for essential capital improvements. Until existing chaotic conditions in the broad transportation field are changed, there is little hope that these desirable ends will be attained.

Developments in railroad labor matters in 1960 included first the signing of new labor contracts calling for further wage increases and/or fringe benefits effective in part on July 1, 1960, and in part on March 1, 1961. Details of these latest agreements are set forth at a later point herein. They resulted in additional annual costs to railroads of approximately $100,000,000 beginning July 1, 1960, and will result in another $100,000,000 of new costs

1960 REVIEW OF RAILWAY OPERATIONS

beginning March 1, 1961. Secondly, mostly in the months of July, August and September, there was an unusual number of strikes which halted for extended periods the operations of such important railroads as the Pennsylvania, the Long Island, a group of steel company subsidiaries in the Pittsburgh area, and others.

Finally, in an encouraging development insofar as railroads are concerned, management and the brotherhoods representing operating employees, with the help and guidance of high government officials, reached an agreement providing for establishment of a 15-member Presidential Commission to study the troublesome question of rules governing the employment, working conditions and methods of pay of men in train and engine service occupations. Management, labor and the public have equal representation in this study group.

Weighed solely in terms of the year's aggregates, 1960 was a good year, with both the FRB index of industrial production and the Gross National Product attaining new highs. However, the sharp drop-off in production of steel and other durables and in coal output was a severe blow to the demand for railroad freight transportation services. As a result, it was a disappointing traffic year for railroads, with carloadings showing a decline of about a half million cars and with revenue ton-miles not quite equalling those of strike-ridden 1959.

Railroad passenger traffic in 1960 declined below that of the preceding year for the ninth consecutive year. This decline was due in part to continuation of the long-term down trend in passenger business and in part to the 26-day strike on the Long Island and the 12-day strike on the Pennsylvania, both roads being large carriers of passengers.

Financial results for the year are expected to show a reduction in gross revenues of about $300 million and a decline in net railway operating income of nearly $160 million under 1959 figures. Estimated 1960 net railway operating income of $590 million would be the lowest since 1939, and would provide a rate of return of only 2.15%. Estimated net income of about $450 million represents a 22% loss compared with 1959 and more than a 50% loss in a 5-year period. Thus the railroads, whose situation was characterized by Congressional leaders in late 1957 as "deteriorating," have experienced continued year-to-year deterioration in their earnings.

No major legislation to improve the railroad situation was enacted in the second session of the 86th Congress.

Railroad consolidations and mergers continued during 1960. The Erie and the Delaware, Lackawanna & Western were merged and began operations as a unit on October 17; the Chicago & North Western acquired control of the Minneapolis & St. Louis on October 24; and the Minneapolis, St. Paul & Sault Ste. Marie, the Wisconsin Central, and the Duluth, South Shore & Atlantic were merged effective December 13. Proposals for other mergers and acquisitions are described elsewhere in this review.

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Review of Railway Operations

Transport Competition

Over the past year there has continued to be much talk and study but no resolute action on public policies which adversely affect the competitive situation in transportation.

Although railroads are the principal victims, other forms of transportation have increasingly felt the impact of unsound public policies that have resulted in haphazard development of an excess of under-utilized transport facilities. As a consequence, the nation's total transportation bill is greater than it ought to be.

Burgeoning and uncoordinated promotion with public funds in certain areas of transportation has been and is the principal source of trouble. Study after study has pointed out that the present transportation problem has resulted in large part from unsound methods of financing huge and mounting expenditures of public funds to construct, maintain and operate basic facilities used in transportation by highway, waterway and airway.

Governmental expenditures to date for domestic transportation purposes—for highways, waterways, airways, airports and airmail subsidies—have totalled up to $162 billion. But even more significant is the fact that over one-third of this tremendous aggregate of funds has been spent just since 1955. Moreover, such expenditures planned for future years still point upward.

Although the provision of such public transportation facilities used for commercial and private operations will no doubt remain in the public sector of the economy, this is no reason why their costs should be imposed on the general body of taxpayers. Unless all the proper costs are paid by those who actually use these facilities for their own purposes and gain, the self-supporting railroads which bear the costs of their own right-of-way facilities and also pay heavy property taxes on them cannot compete effectively with public spending for transportation.

Some progress has been made in the development of highway user charges, but they still greatly favor commercial trucking operations relative to private automobiles and light trucks. Substantial sums are still exacted for highways from general taxpayers, including railroads. As regards waterway and airway transportation, no progress whatever has been made toward sound user financing.

The President, in recent budget messages to Congress as well as in special messages, has urged airway user charges and an increase in user taxes paid into the Highway Trust Fund. With reference to waterway user charges, the report on "Federal Transportation Policy and Program," issued in March 1960 by the U.S. Department of Commerce, recommended that the Secretary of Commerce prepare legislation to "establish a system of user charges specifying an initial low level of fuel taxes and step-by-step increases for a specific number of years." As yet, however, no action has been taken on these important recommendations. On this same subject, the Secretary of Commerce, pursuant to Section 210 of the Federal-Aid Highway Act of 1956, was required to report to Congress in January 1961 "information on the basis of which it may determine what taxes should be imposed by the United States and in what amounts in order to assure, insofar as practicable, an equitable distribution of the tax burden among the various classes of persons using the federal-aid highways or otherwise deriving benefits from such highways."

The vice of existing transportation subsidies provided at the expense of general taxpayers is that they distort patterns of traffic distribution, forestall an economic allocation of resources in transportation, and deny equality of competitive opportunity. These results of subsidy are inevitable because users of transportation facilities and services will be governed in their choices by only those costs directly borne by them, ignoring those sidetracked to the Public Treasury. With subsidy costs thus ignored, traffic will be distributed in transportation markets contrary to true comparative economy. The resulting inefficient distribution of resources in transportation must lead, as it has done, to the development of excess transportation capacity and to an inflated total transportation bill for the whole economy to bear somehow.

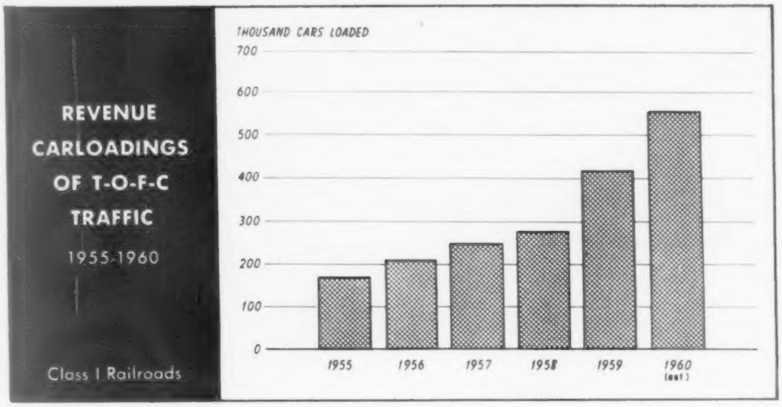
Thus, properly understood, the issue of user charges is not merely a controversy among rivals in the transportation business. The principle adverse effect of uncompensated public expenditures in transportation is upon the national interest in preserving a strong, efficient and self-supporting railroad industry under private ownership.

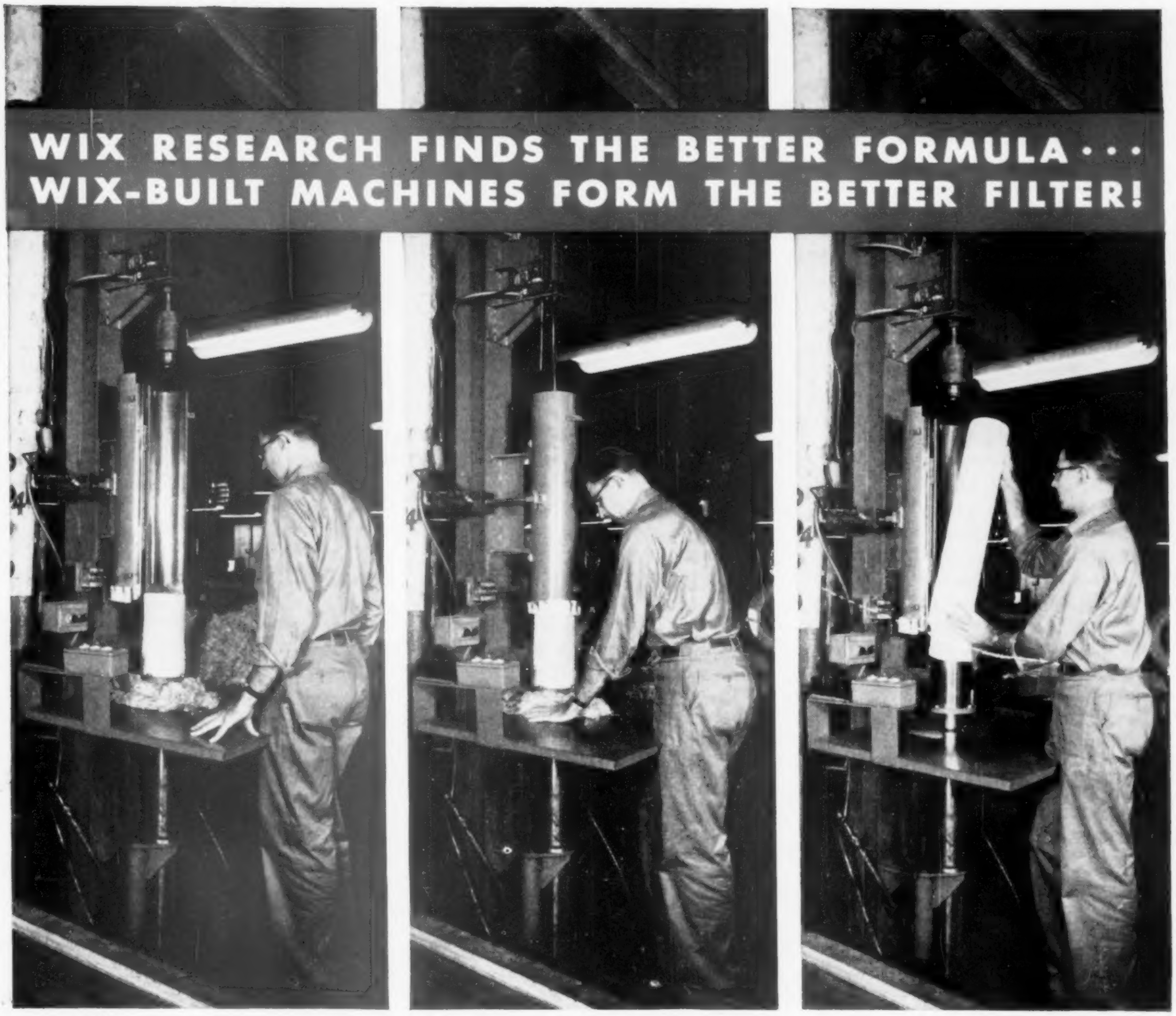
To the extent that massive subsidies to their competitors deprive railroads of traffic which would move more economically by rail, the reduced traffic volume in relation to the inherent fixed-cost characteristics of railroad transportation leads to higher unit costs and higher rates and charges on the remaining traffic, and to financial stringencies. This vicious spiral has worsened as governmental expenditures programs for the subsidized promotion of competing modes have increased in size and scope. The results are reflected in the steadily declining shares of total intercity traffic transported by railroads.

There is urgent need to recognize that to have a strong, efficient and improving system of intercity transportation in this country does not require subsidy of any single part of it.

Our entire transportation system would be economically stronger, not weaker, if fully compensatory user charges were established for all commercial carriers who use the public's highway, waterway and airway facilities. It is with this sound objective in view that railroads have proposed that Congress establish a National User Charge Commission to make such a policy effective on a fair and equitable basis. Unless intent upon continuing

(*Continued on page 54*)





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to raid the public purse for private advantage, no mode of transportation could object to this policy. In fact, all of them with the sole exception of waterway operators have subscribed to the soundness of user charges in principle. Nevertheless, those saving words "in principle" seem to provide an indefinite postponement and may be so intended. Public policy cannot afford to serve such a procrastinating purpose.

Table 1: Comparative Traffic Summary: 1951-1960

Year	Revenue carloadings (thousands)	Revenue ton-miles (millions)	Revenue passenger-miles (millions)
1951	40,499	646,620	34,614
1952	37,985	614,754	34,010
1953	38,216	605,813	31,655
1954	33,915	549,259	29,286
1955	37,636	623,615	28,526
1956	37,845	647,077	28,185
1957	35,500	618,194	25,884
1958	30,222	551,667	23,269
1959	31,015	575,439	22,051
1960	30,440	e573,000	e21,200

e Estimated

Traffic Trends

Railroad traffic volume in 1960 proved disappointing. The upward trend lines, which at the year's start held promise of a substantial increase in freight traffic over that of strike-ridden 1959, soon flattened out, then turned downward. Revenue carloadings drifted off during the first quarter, rose seasonally in the second, but failed to attain normal seasonal trends in the third and fourth quarters. Loadings in the final weeks of 1960 were down by a wide margin below those of the corresponding period of 1959 when traffic was bolstered by post-strike conditions in the steel industry.

As shown by Table 1, total carloadings in 1960 amounted to 30,440,000 cars. This represented a decrease of 1.9% under the 1959 total, and an increase of less than 1% over that of the recession year 1958. Revenue ton-miles, estimated at 573 billion for 1960, were virtually the same as in the preceding year, but yielded less revenue, as will be shown later in this review.

Railroad passenger traffic appeared in 1960 to be levelling off from its almost unbroken postwar decline. In fact, passenger-miles for the first seven months, except in commutation service, were slightly greater in 1960 than in the corresponding period of 1959. The decline, however, was resumed in August and continued in the remaining months. Passenger-miles for the year are estimated at 21.2 billion, or about 4% less than the 1959 total. Decreases are expected to approximate 10% for commuter service and about 2% for other services. Major strikes on two important passenger carriers—the Pennsylvania and the Long Island—contributed to these losses.

A breakdown of freight carloadings by commodity groups, Table 2, shows that all but two groups registered decreases. Ore loadings were up 33% over the strike-affected 1959 total. Grain loadings rose 2.2% to a near-record total. The miscellaneous group, accounting for more than one-half of total loadings, showed a drop of 3.7%. Coal, the next largest category, was down 2.0%, falling to a new low for the 43 years carloadings have been recorded. Loadings of LCL freight and livestock also established new lows.

Table 2: Carloadings by Commodity Groups, 1960 vs. 1959

Commodity Group	Per Cent of Total	Carloadings in 1960 (thousands)	—Increase over 1959— Carloadings (thousands)	Per Cent
Miscellaneous	51.6	15,707	d619	d 3.7
Coal	17.5	5,318	d108	d 2.0
Grain	9.1	2,784	59	2.2
Ore	7.3	2,209	544	32.7
Forest Products	6.4	1,950	d 99	d 4.8
Merchandise LCL	5.9	1,809	d303	d14.3
Coke	1.3	403	d 8	d 2.0
Livestock	0.9	259	d 41	d13.7
Total	100.0	30 440	d575	d 1 9
TOFC (piggyback) included above	1.8	554	138	33.0

One bright spot in the carloading picture was the continued growth of trailer-on-flat-car (piggyback) traffic. TOFC loadings aggregated an estimated 554,000 cars in 1960, an increase of 33% over the 416,000 cars loaded in this service in 1959, and nearly double the number loaded in 1958. TOFC loadings are still a relatively small part of total railroad freight traffic. They accounted in 1960 for 1.8% of all carloadings and for 3.5% of loadings in the miscellaneous group.

Rates and Fares

There was continuing activity during 1960 in the area of railroad rates and fares. This activity included increases, more or less across the board, designed to bring in additional revenues, as well as downward adjustments in specific rates for purposes of meeting particular competitive situations.

Freight Rates. On September 7, 1960, in *Ex Parte 223, Increased Freight Rates, 1960,* the railroads filed tariff schedules proposing modest increases in freight rates and charges, to become effective October 24, 1960, subject to possible investigation and suspension by the Interstate Commerce Commission. The proposed tariffs provided for increases in line-haul rates on nearly all commodities, generally of one-half cent in rates of 65 cents or less per 100 pounds and of one cent in rates of more than 65 cents per 100 pounds. Also, increases were proposed in charges for certain accessorial services, such as loading and unloading, transferring freight to other cars, in-transit services, switching, and car reconsignment or diversion services. The railroads also proposed to reduce to 5 days the free time allowed on idle cars at ports.

After the submission of verified statements, pro and con, and the holding of oral arguments, the Commission by report and order dated October 20, 1960, permitted most of the proposed increases in line-haul rates and some of the proposed increases in accessorial charges to go into effect. Certain of the authorizations together with the suspended proposals were made subject to further investigation by the Commission. Such investigations are now being held and will continue into 1961.

The new line-haul rates and accessorial charges as proposed by the railroads, assuming full application on both interstate and intrastate traffic, including the suspended proposals, would have increased freight revenues by about 1.7%.

Traffic research programs were progressed during the year. These programs are designed to eliminate obsolescent rates, to determine the effectiveness of downward rate adjustments, and to fit rates to shippers' needs. This

is a continuing program from which tariff simplification and increased traffic volume result.

At the beginning of 1960 there were two I&S cases pending before the ICC involving the so-called "agreed charges" or "guaranteed rates." In the first of these two cases, the Soo Line and participating rail carriers proposed a reduced rate on pipe and tubing, steel or wrought iron, moving from Sault Ste. Marie, Ontario, to Chicago and points taking the same rate, and for movement beyond, provided that 90% of the tonnage is shipped by rail (I&S 7151). In the second case (I&S 7250), the New York Central proposed reduced rates on carpeting and rugs moving from Amsterdam, N. Y., to Chicago conditioned upon the shipper or receiver agreeing to tender for rail transportation 80% of its traffic in a 12-month period.

Neither of these cases has yet been brought to a conclusion. The Soo Line proposed rate, originally published to become effective on April 10, 1959, was suspended by Commission action to November 9, 1959, and then was voluntarily postponed by the carrier to April 23, 1960, when it was put into effect with an expiration date of April 10, 1961. On August 5, 1960, Examiner W. L. Baumgartner issued his proposed report in this proceeding, finding the rate to be "unjustly discriminatory, in violation of the antitrust laws, and not shown to be just and reasonable." At year's end, the process of filing exceptions and replies thereto had not been completed.

In his proposed report, Examiner Baumgartner said, among other things:

"To meet their need in the present situation, the respondents have hit upon the guaranteed rate as a means of attracting and sustaining an increase in traffic volume; the level of the rate, though reduced, in conjunction with the volume required, is pitched to achieve the maximum contribution to overhead. If this method of rate making is approved, the extension of its use to grain and other rail traffic subject to severe competition will be undertaken. The resort to it and the effort to establish its acceptability are commendable and should engage the serious attention of all concerned with transportation problems. Because of the promise it holds as a means of strengthening the railroads' competitive and revenue position, the eastern railroads, those in the southern region and those in the Western Traffic Association, together with the shippers in the National Industrial Traffic League, wholeheartedly support the principle.

"On the other hand, the water and motor carriers see in the guaranteed or agreed rate a serious threat to their competitive endeavors and well-being. They are apprehensive lest it enjoy a degree of success here comparable to that in Canada. Their opposition appears to be based upon an assumption that they cannot engage in the same method of ratemaking if it is lawful. Nothing in the record appears to support such an assumption.

"But none of the evidence or argument advanced concerning the utility and desirability of the method or proposal is dispositive. As seen, neither the specific proposal nor the principle appear to meet the tests of legality under the Interstate Commerce, the Elkins or the Sherman Acts. Whether it has economic value for carrier or shipper or both, thus becomes immaterial here. Whether the use of the method should be permitted is a question for consideration by Congress."

In the New York Central case, hearings have been completed, briefs have been filed and oral argument has been had. This matter will be disposed of without service of a recommended report by the Examiner, but the Commission has not yet acted.

Meanwhile, the period of suspension has expired and the rate has been put into effect.

Mail Pay. Applications were filed with the ICC on December 28, 1959, July 25, 1960, and August 31, 1960, by Southern, Eastern and Western railroads, respectively, seeking re-examination of the rates of pay for transportation of United States mail and services rendered in connection therewith. On November 17, 1960, the Commission issued an order providing for increases of 13% for Southern and Western railroads and of 8% for Eastern railroads, retroactive to September 1, 1960.

Express Rates. There were no general increases in express rates during 1960. However, tariffs were filed on November 21, to become effective January 5, 1961, imposing an additional charge of 20¢ per less-carload express shipment. The additional charge is designed to cover increases in REA wage and other costs amounting to over $10.7 million annually.

During 1960, REA made effective nineteen commodity rate adjustments, many of which were of a major nature, designed to attract traffic not previously moving in substantial volume by express. Two types of commodity rates were established: the "incentive" type on wearing apparel, drugs, footwear, builders' hardware, business and office machines, and other items; and "any quantity" rates on automotive parts, photo equipment, textiles, hand tools, machinery and machinery parts, and other articles.

Passenger Fares. There was considerable activity in the area of passenger fare increases during 1960, but not on a nationwide basis. In the East, a number of railroads increased first class and coach fares by 5% effective September 1, 1960. The New York, New Haven & Hartford made two increases in such fares, 10% on February 4, and 5% on July 1. Commutation fares were also increased by several Eastern railroads ranging from 10% for some railroads to about 25% for others. No changes were made in Southern territory except a 5% increase in coach fares by the St. Louis-San Francisco on October 1, 1960.

In the West, 15 railroads increased coach fares by 5% on October 1, 1960. Transcontinental round-trip coach fares to and from California were generally increased by 5% on November 1, 1960. In the Chicago area, commutation fares were increased by amounts ranging from 7½% for one railroad to as much as 33% for another.

A number of Western railroads con-

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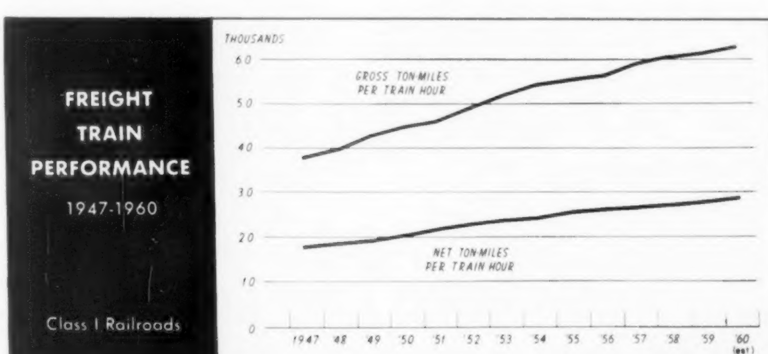
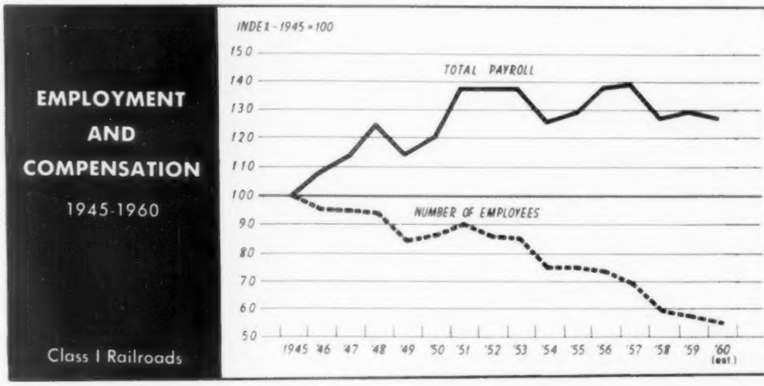


tinued to experiment with arrangements for honoring coach tickets in standard sleeping cars, tourist sleeping cars, slumber coaches, Thrift-T sleepers, and parlor cars, upon payment of charges for space occupied. One-way and round-trip family excursion fares were continued.

Several railroads established experimental round-trip group economy coach fares between certain points on the basis of a per capita fare of 75% of the regular six-months' limit round-trip coach fare, applicable for parties of three or more travelling together.

Revenue Averages. Table 3 shows there was a further decline in revenue per ton-mile in 1960, the average falling from 1.445 cents in 1959 to about 1.4 cents in 1960. Revenue per passenger-mile continued the upward trend of the previous four years, averaging about 3.0 cents in 1960, compared with 2.952 cents in 1959. These changes reflect adjustments in rates and fares as well as changes in the consist of traffic which occurred during the year.



Employment and Wages

Railroad employment in 1960 declined to an average of 780,000, a decrease of 4.4% below that of 1959. The aggregate payroll is estimated at $4,900 million, slightly under 1959.

The straight time rate of pay of railroad employees averaged $2.62 per hour in 1960, an increase of six cents over the average for 1959. Annual earnings per employee rose to $6,280.

In addition to wages for work performed, railroad payrolls include vacation pay, holiday pay for certain employees, and various other allowances. Also, railroads provide unemployment and sickness benefits for all employees, and they share equally with their employees the cost of the Federally-administered retirement system. In lieu of certain wage increases, hospital and medical insurance is provided for non-operating employees and dependents.

Taking into account these designated supplemental payroll costs as well as premium pay for overtime worked and the so-called mileage basis of pay for train and engine service employees, it cost railroads in 1960 about $3.37 for each employee-hour actually worked, or 75 cents per hour in excess of the average straight-time rate of pay.

The three-year moratorium provisions of the 1956 wage contracts expired on November 1, 1959. The various railroad labor organizations filed demands for wage and fringe benefit increases to become effective on that date. At the beginning of 1960 those demands were in mediation or in negotiation between the Carriers' Conference Committees and representatives of the labor organizations. Settlements were finally reached during the course of the year involving additional annual costs of about $200 million.

Engineers. The demands of the Brotherhood of Locomotive Engineers proposed that the cost-of-living allowances made effective during the life of the 1956 agreement be incorporated in basic rates and that the basic rates as so revised be increased by 12%. They also proposed continuation of cost-of-living escalation.

Having failed to reach settlement in conference or through the mediatory efforts of the National Mediation Board, an agreement to arbitrate the dispute with the Engineers was entered into on March 5, 1960, and hearings before the Arbitration Board (Archibald Cox, chairman) commenced on April 5, 1960. The Board rendered its unanimous decision on June 3, 1960, awarding to employees represented by the Brotherhood of Locomotive Engineers:

1. Cost-of-living allowances in effect May 1, 1960 (17 cents per hour or $1.36 per basic day) to be incorporated in basic rates.
2. Cost-of-living provisions in existing contract to be cancelled.
3. Basic rates, as revised to include the cost-of-living allowance, to be increased 2% effective July 1, 1960, and an additional 2% on the same base to become effective March 1, 1961.
4. No other wage increases or decreases to be made effective before November 1, 1961.

The award was incorporated in an agreement signed with the Brotherhood of Locomotive Engineers on June 6.

Conductors. The order of Railway Conductors had made demands similar to those of the Engineers. They were

Table 3: Revenue Per Unit of Traffic: 1951-1960

Year	Per ton-mile (cents)	Per passenger-mile (cents)
1951	1.336	2.601
1952	1.430	2.664
1953	1.478	2.660
1954	1.420	2.620
1955	1.370	2.604
1956	1.384	2.684
1957	1.445	2.841
1958	1.463	2.900
1959	1.445	2.952
1960 (est.)	1.400	3.000

Table 4: Employees and Their Compensation

Year	Average number of employees	Total payroll (thousands)	Average annual earnings of employees	Average straight time hourly Rate	Average straight time hourly Earnings
1950	1,220,784	$4,620,518	$3,785	$1.58	$1.65
1955	1,058,216	4,993,662	4,719	1.96	2.08
1955	1,042,664	5,324,672	5,107	2.13	2.25
1957	986,001	5,358,044	5,434	2.28	2.42
1958	840,575	4,929,906	5,865	2.46	2.61
1959	815,474	4,986,253	6,115	2.56	2.72
1960 (est.)	780,000	4,900,000	6,280	2.62	2.79

SUNA Only Holdout in '60 Wage Agreements

settled by mediation agreement reached June 4, 1960, embodying in all essentials the terms of settlement which had been decreed in the Engineers' arbitration case.

Trainmen and Firemen. Both the Brotherhood of Railroad Trainmen and the Brotherhood of Locomotive Firemen & Enginemen had asked for an increase of 14% to become effective November 1, 1959, after inclusion of cost-of-living adjustments in basic rates, and continuation and updating of cost-of-living adjustments. The Trainmen also asked for an additional increase of four cents per hour for yard service employees who had exercised an option to receive holiday pay.

As the settlements with the Engineers and Conductors and the recommendations of the "non-ops" Emergency Board discussed below had established a basic pattern, mediation agreements were reached with the Trainmen on June 22, 1960, and with the Firemen on June 23, 1960, incorporating conditions and terms of the Engineers' agreement.

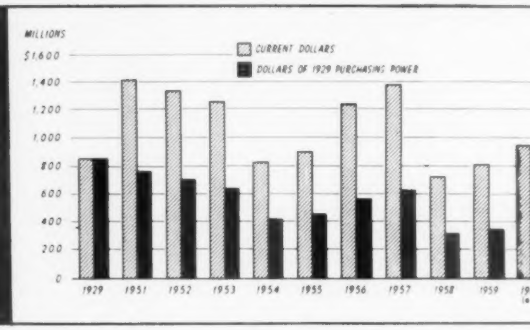
The Trainmen's agreement also provided that further consideration would be given to liberalize the qualification provisions for holiday pay for yard employees. That matter was settled by mediation agreement dated November 30, 1960, liberalizing the qualifications. The November 30 agreement also included liberalization of qualification requirements for vacations along the lines of such provisions contained in the "non-ops" agreement of August 19, 1960.

Switchmen. The Switchmen's Union of North America had filed notices similar to the requests of the Engineers, but efforts to resolve that dispute through mediation failed. On May 23, 1960, the President of the United States appointed an Emergency Board (the Smith Board) which held hearings and submitted its report on June 8, 1960, recommending that the dispute be resolved in adherence to the pattern already established.

GROSS CAPITAL EXPENDITURES IN CURRENT AND CONSTANT DOLLARS

1929 and 1951-1960

Class I Railroads



The Switchmen's Union represents only about 11% of all yard foremen, helpers and switchtenders employed by Class I railroads, and this representation is concentrated in the Western territory. The other 89% are represented by the Brotherhood of Railroad Trainmen.

Negotiations were resumed and a "pattern" settlement was reached on July 21, 1960, subject, however, to a referendum vote of the membership of the switchmen's organization. The membership rejected the proposed settlement and finally called a strike to become effective September 19, 1960. Action was taken by the railroads in the United States District Court for the Western District of New York to halt the strike, a temporary restraining order was issued on September 16, and on October 1 the court issued a preliminary injunction.

Conferences with the union and the National Mediation Board continued. An agreement reached by the parties on October 1 was again rejected by a referendum vote of the union membership. The agreement provided for wage increases corresponding in all respects to the agreements entered into with the Trainmen. In addition, it provided for liberalization of vacation and holiday pay qualifications similar to the terms of the non-operating employees' agreement.

At year's end, no final agreement with the Switchmen had been consummated and the injunction against a strike was still in effect.

Nonoperating Employees. The eleven cooperating labor organizations representing non-operating employees had made two separate demands upon the carriers. The first request sought liberalized vacations and an increase in the number of paid holidays from 7 to 9 per year. The second notice requested a flat wage increase of 25 cents per hour to become effective November 1, 1959, inclusion of the existing cost-of-living allowances in basic rates, and the cost-of-living adjustment provisions of the contracts to be cancelled effective November 2, 1959. Also, they demanded employer-financed life insurance equal to the full-time annual earnings with a maximum of $5,000, as well as expanded medical, surgical and hospital benefits for employees and their dependents.

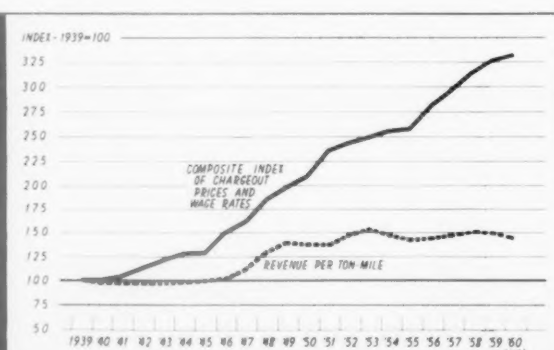
Mediation of these demands terminated on March 28, 1960. Arbitration was rejected by the employees and on April 22 the President of the United States created an Emergency Board (the Dunlop Board) to investigate the disputes and submit recommendations for settlement. The Board submitted its report on June 8, 1960, and an agreement within the framework of the Board's recommendations was signed on August 19 providing:

1. Inclusion of cost-of-living allowance in effect (17 cents per hour) in basic rates.
2. Cancellation of the cost-of-living adjustment provisions of existing contracts.
3. Increase in rates of pay of five cents per hour effective July 1, 1960, with no further changes in rates of

TRENDS IN UNIT COSTS AND AVERAGE REVENUE PER TON-MILE

1939-1960

Class I Railroads



pay to become effective before November 1, 1961.

4. Relaxation of qualifying provision for holiday pay with no increase in the number of such holidays.

5. Liberalization of vacation plan effective in 1961 to provide two weeks (10 days) of vacation after three years (was 5 years) of continuous service. Provision for one week of vacation after one year of service and three weeks after fifteen years of service was not changed. Service required to qualify for a vacation was reduced.

6. Hospital, surgical and medical benefits for dependents of employees, paid for by the carriers, were extended in all respects so as to be identical with those provided for employees except for certain medical expenses when not confined as admitted in-patients in a hospital.

7. Each nonoperating employee was provided life insurance in the amount of $4,000.

Numbered items 6 and 7 are to become effective March 1, 1961, in lieu of a further wage increase.

Work Rules. Upon expiration of the three-year moratorium provisions of the 1956 contracts, the carriers on November 2, 1959, served notices aimed to modernize rules that govern job assignments and methods of pay for operating employees. The railroads proposed to:

1. Recognize the right of management to determine when and if a fireman should be used on diesel and other non-steam locomotives in freight and yard service.

2. Recognize the right of management to determine the number of train crew members required in road or yard service.

3. Recognize the right of management to determine employees to be used on self-propelled equipment used for truck maintenance repair or inspection.

4. Eliminate arbitraries and special allowances higher than standard rates, and mileage limitation rules. Road employees would be paid single time for hours or miles, whichever is greater.

5. Eliminate rules which ban crews from operating through present crew change points, prohibit establishment of interdivisional runs, etc.

6. Eliminate rules which prohibit or restrict the work performed by road and yard crews.

Following conclusion of the wage movements with the operating crafts, the carriers sought conferences to deal concertedly with the matter of rules. At a meeting held on July 6, 1960, there occurred a preliminary discussion of the issues and a presentation by the representatives of the organizations of a proposal for a study commission to consist of representatives of railroads, labor organizations and neutral members. It was contemplated that the area of study not be limited to the carriers' proposals but include issues the organizations would propose. The carriers proposed arbitration of their suggested rules changes plus any relevant bargainable counter proposals which the organizations might wish to serve.

Late in August informal conferences were held by the Secretary of Labor, the Honorable James P. Mitchell, with representatives of the railroads and operating organizations. This was followed by another conference on September 7 at which the Secretary was present. At this session, representatives of the operating organizations presented counter proposals being served that day on individual railroads to provide for:

1. Improvements in the existing wage structure including but not limited to provisions for adequate compensation for night work and shift differentials, daily, weekly and monthly guarantees, payment for time held away from home and improved overtime rules.

2. Consists of crews including engineers (motormen), firemen (helpers), conductors, brakemen, hostlers, hostler helpers, yard conductors (foremen) and yard brakemen (helpers), the adequacy of the number of men in the crew and their qualifications and training.

3. Financial and other protection of employees affected by mergers, consolidations, abandonments, technological changes in operations, or by changes in working conditions.

4. Stabilization of employment.

The unions also proposed that a commission be established to function in general conformity with the recommendations of Emergency Board No. 109 to investigate and report respecting both the carriers' and the organizations' proposals, with the view of assisting parties to arrive at an agreement.

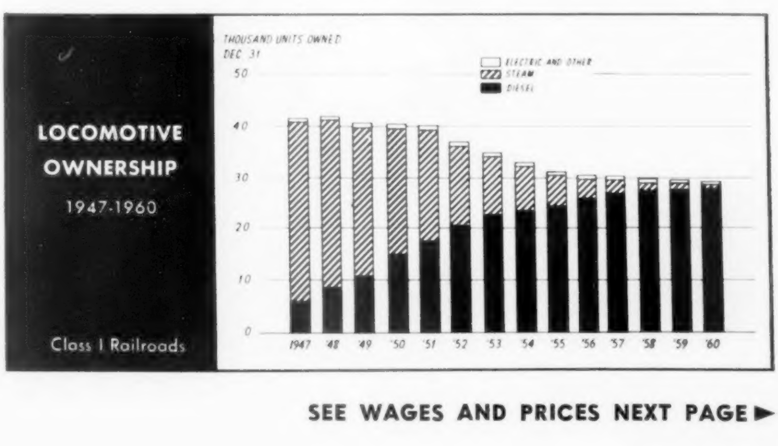
Thus the way was cleared for establishment of a Presidential Commission as had been proposed by the president of the Association of American Railroads on February 10, 1959.

On October 17, 1960, representatives of the carriers and of the organizations, meeting with Secretary Mitchell, entered into an agreement to submit the whole controversy to a commission to be appointed by the President of the United States. President Eisenhower described the agreement as "a landmark in the history of labor-management relations in the United States . . . another indication of the maturity that has been achieved in industrial relations in this country in recent years."

By Executive Order No. 10891, dated November 1, 1960, and effective January 1, 1961, President Eisenhower created the commission to consist of fifteen members. The national interest will be represented by five public members, including the chairman, all named by the President. The commission also includes five representatives nominated by railroad management and five representatives nominated by the operating unions.

On December 22, 1960, the President announced the membership of the commission [see pp. 18-19].

The commission will begin its work on Feb. 6, 1961. A report of the commission's findings and recommendations will be filed with the President on or before December 1, 1961, with an extension period not to exceed 90 days if both parties agree. The parties agreed that the proceedings of the commission, including its mediatory efforts and its report, shall be considered and accepted in lieu of the mediation and emergency board procedures provided under the Railway Labor Act. While recommendations of the commission are not binding, they should have great weight.

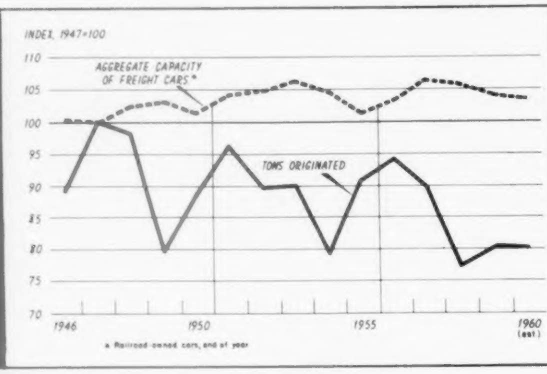


SEE WAGES AND PRICES NEXT PAGE ►

FREIGHT CAR CAPACITY AND TONNAGE ORIGINATED

1946-1960

Class I Railroads



Wages and Prices

The further increase in wage rates which occurred in 1960 brought the average rate of straight-time hourly pay of railroad employees to exactly double the average rate in the years 1947-1949. This is shown in Table 5 wherein wages, which regularly account for 62% of railroad operating expenses, are put on an index basis along with prices of the materials which account for some 27% of expenses. Although material prices fluctuated during the year, the average price on a chargeout basis, taking into account the lag between purchase and use, was unchanged from that of 1959, up 44.5% over the 1947-1949 average.

The combined index of wage rates and material prices, as compiled by the Bureau of Railway Economics, moved up from 180.1 in 1959 to a new all-time high of 183.4 in 1960. It may be noted that while this index of unit costs has shown an increase of 232% since 1939, average revenue per ton-mile has increased by only 45% and revenue per passenger-mile has gone up but 62%.

It is also significant to note that the wage index, which is based upon straight-time hourly rates, does not reflect the added cost of other liberalized labor benefits such as pensions, unemployment and sickness insurance, hospital and medical insurance, holiday pay or improved vacation allowances. These fringe costs have increased rapidly and now account for a substantial part of total labor costs.

The index of railroad material prices is shown on a "spot" price basis in Table 6, using mid-year prices in 1947-1949 as 100. The index of material and supplies, other than fuel, while holding fairly steady, in 1960, reached an all-time high of 159.6 at mid-year, then dropped slightly to 159.3 in October. Fuel prices continued the generally downward trend of the previous year and dropped to 111.4 in July 1960, the lowest index since 1955. The fuel index then rose to 114.3 in October 1960, remaining below the beginning-of-year figure. The combined index of all materials including fuel stood at 143.5 in October 1960, compared with an index of 143.2 on the corresponding date in 1959.

Financial Results

Rather than rallying, as had been expected, from the depressed levels of recession year 1958 and strike year 1959, railroad net earnings in 1960 dropped even further below the inadequate earnings of those disappointing years. The year 1960 was the fifth consecutive year of declining railroad earnings.

According to present estimates, net railway operating income of Class I railroads—the margin before interest and other fixed charges—will not exceed $590 million for the full year 1960. This amount of net railway operating income would represent a drop of $158 million from 1959 and would be the lowest operating net for any year since 1939. It would provide a rate of return on net investment of only 2.15%. Net income is expected to approximate $450 million, the lowest since 1949.

It was in November 1957 that Congressional leaders expressed alarm about "the deteriorating situation" of the railroads. In that year railroad net income amounted to $737 million, having declined from $876 million in 1956 and $927 million in 1955. Since 1957, railroad net income has continued to deteriorate, falling to $602 million in 1958, to $578 million in 1959, and then to the estimated $450 million in 1960. Thus, instead of realizing the greater earnings needed to support improvement programs, railroads in a 5-year period have experienced a 50% reduction in their net income. Furthermore, these net income dollars are not only fewer in number than before, but also are weaker in their purchasing power.

Final returns for 1960 are expected to show a reduction in gross revenues of about $300 million under those of 1959, and a reduction in operating expenses of about $150 million. As shown by Table 8, revenues in the first 11 months of 1960 totalled $8,783 million, $196 million under the corresponding period of 1959, while expenses were down only $98 million. The greater decrease in revenues than in expenses resulted in a drop of $98 million in net revenue, which together with a substantial increase in equip-

Table 5: Wage Rates and Material Prices: 1939-1960

(Average 1947-1949=100)

Year	Wage rates (all employees)	Chargeout prices for all materials including fuel	Wage rates and material prices combined
1939	56.5	52.0	55.2
1945	71.2	69.3	70.6
1950	120.5	105.7	116.1
1955	150.0	126.1	142.8
1956	162.4	134.2	153.9
1957	174.4	142.6	164.9
1958	187.9	141.4	174.0
1959	195.3	144.5	180.1
1960 (prel.)	200.0	144.5	183.4

Table 6: Railroad Material Price Index: 1939-1960

(Mid-year 1947-1949=100)

Month	Material and supplies (other than fuel)	Fuel (oil and coal)	All materials (incl. fuel)
December 1939	55.5	47.5	52.6
December 1945	72.1	69.3	71.1
October 1950	113.8	104.9	110.4
October 1955	141.6	110.1	130.2
October 1956	149.5	119.0	138.3
October 1957	154.2	123.5	142.9
October 1958	155.4	116.8	141.6
October 1959	158.6	114.8	143.2
January 1960	159.5	117.0	144.4
April 1960	159.6	113.4	143.5
July 1960	159.6	111.4	142.7
October 1960	159.3	114.3	143.5

Table 7: Rate of Return and Net Income: 1951-1960

Year	Net railway operating income (millions)	Rate of return on investment after depreciation	Net income (after fixed charges) (millions)
1951	$ 943	3.76%	$693
1952	1,078	4.16	825
1953	1,109	4.19	903
1954	874	3.28	682
1955	1,128	4.22	927
1956	1,068	3.95	876
1957	922	3.36	737
1958	762	2.76	602
1959	749	2.72	578
1960 (est.)	590	2.15	450

Table 8: Condensed Income Account: Eleven months 1958-1960

	1958 (millions)	1959 (millions)	1960 (millions)
Total operating revenues	$8,727	$8,979	$8,783
Total operating expenses	6,888	7,050	6,952
Operating ratio (per cent)	78.93	78.52	79.15
Taxes	877	959	945
Net railway operating income	685	671	550
Rate earned (per cent)*	2.70	2.72	2.28
Net income after charges	514	484	393

*Twelve months ended Nov. 30.

ment rental expense dropped net railway operating income for the 11-month period from $671 million in 1959 to $550 million in 1960. The rate of return on net investment for the 12 months ended Nov. 30, 1960, was only 2.28%.

Net income, after fixed charges, totalled $358 million in the first 10 months of 1960, a drop of $85 million below the net income of the first 10 months of 1959, and $93 million less in the like period of 1958. Despite the depressing effects of the general business recession in 1958 and the long steel strike in 1959, railroad earnings in 1960 fell even lower.

Analysis of operating revenues for the 11-month period (Table 9) shows decreases in three of the principal categories—freight, passenger, and express—while mail revenue was virtually unchanged and all other operating revenues combined showed a small increase over 1959. Freight revenue, which accounts for 85% of all operating revenues, was down by $179 million and thus accounted for 91% of the total revenue drop, 1960 under 1959. This reduction was the result of lower average unit revenues from a slightly greater ton-mile volume of freight traffic in the 11-month period. Passenger revenue was off by $11 million, or 1.9%, reflecting a decline of about 3.5% in passenger miles.

Mail revenue for the 11 months of 1960 was about equal to that of the 1959 period. Higher mail transportation rates approved by the ICC in November, effective retroactively to September 1, 1960, will raise this revenue account for the year somewhat above the 1959 total. Revenues received by railroads from express service were below those of the 1959 period by nearly $12 million, or 11.3%, but were $12 million higher than in the corresponding months of 1958.

Operating expenses also declined in 1960 under those of 1959, as railroads made further cuts in employment in an effort to keep within the bounds of reduced revenues. The decline in expenses, however, failed to match the revenue loss, either relatively or in dollar amount, and there was an increase in the operating ratio. For the first 11 months the operating ratio, which does not include taxes or operating rents, rose from 78.5% in 1959 to 79.2% in 1960. Maintenance of way expenses were cut somewhat more than were those for maintenance of equipment, but total maintenance expenses amounted to 31% of revenues in the 1960 period, virtually equal to the maintenance ratios in the 1959 and 1958 periods. For the transportation group of expenses, the reduction amounted to less than 1%, and the transportation ratio rose to 40% from 39.5% in the 1959 period.

As shown by Table 11, payroll taxes increased by $23 million in the first 11 months of 1960 over the comparable 1959 period and were $74 million higher than in the like period of 1958. These increased payroll taxes resulted, despite reduced employment, from the higher tax rates made effective under Federal law on June 1, 1959. Income and other taxes declined in 1960 under 1959 as a result of reduced gross and net earnings.

Operating rents, chiefly equipment rentals, were substantially higher in 1960 than in 1959, reflecting increased rental rates paid to private car owners under applicable mileage tariffs. Net rents amounted to $336 million in the first 11 months of 1960, compared with $299 million in the 1959 period and $277 million in 1958.

Capital Expenditures

Railroad capital expenditures in 1960, although higher than in the preceding year, were again held down by the low level of net earnings and remained below the postwar annual

Table 9: Operating Revenues: Eleven months 1958-1960

	1958 (millions)	1959 (millions)	1960 (millions)
Freight	$7,386	$7,616	$7,437
Passenger	608	591	580
Mail	289	290	290
Express	79	103	91
All other	364	380	385
Total	$8,727	$8,979	$8,783

Table 10: Operating Expenses: Eleven months 1958-1960

	1958 (millions)	1959 (millions)	1960 (millions)
Maintenance of way	$1,125	$1,136	$1,098
Maintenance of equipment	1,573	1,648	1,624
Transportation	3,492	3,551	3,516
Traffic, general and other	698	751	714
Total	$6,888	$7,050	$6,952

Table 11: Railway Tax Accruals: Eleven months 1958-1960

	1958 (millions)	1959 (millions)	1960 (millions)
Payroll taxes	$289	$340	$363
Federal income taxes	219	246	212
All other taxes	368	373	370
Total taxes	$877	$959	$945

average. Owing to the same restraining influence, purchases of materials and supplies were largely limited to current needs and increased but slightly over those of the preceding year.

Under a generally favorable outlook, capital expenditure programs were stepped up slightly in the earlier part of 1960. As the year progressed, however, less favorable conditions became apparent, and expenditures were cut back as earnings dropped. Total spending for capital improvements in 1960 was an estimated $950 million, an increase over 1959's total of $818 million but far short of the level required for an adequate modernization program.

At the close of the year, further cuts in railroad capital improvement programs were anticipated.

Purchases of fuel and other materials and supplies for operations and maintenance are expected to approximate $1,500 million in 1960, a slight increase over the preceding two years, but well below the 1957 level. There are preliminary indications that purchases of materials other than fuel increased in 1960, but that there was a drop in fuel buying. Inventories remained fairly stable throughout the year.

Table 14: Ownership Trends—Locomotives: 1953-1960

Year	Units owned at end of year	New units installed during year	New units on order at end of year
	Diesel-electric locomotives		
1953	22,671	2,091	546
1954	23,732	1,097	483
1955	24,899	1,172	827
1956	26,190	1,445	780
1957	27,320	1,312	413
1958	27,715	430	535
1959	28,238	835	228
1960 (est.)	28,400	430	50
	Other locomotives		
1953	12,405	19	25
1954	9,124	16	10
1955	6,605	10	27
1956	4,287	8	34
1957	2,956	4	30
1958	1,872	4	26
1959	1,288	7	86
1960 (est.)	747*	15	70

*Includes 200 steam, 500 electric, and 47 turbine-electric.

Equipment Trends

Although expenditures for new equipment in 1960 exceeded those in 1959, the number of units of new equipment installed was less than the number retired. The result was a further shrinkage in equipment supply. Ownership trends of freight cars, passenger cars, and locomotives all continued their established downward courses.

In the absence of a revival of traffic and earnings in 1960, there was neither incentive nor means to acquire large quantities of new equipment during the year. Even at the relatively low level of equipment purchases in 1960, less than three-fourths of the gross capital expenditures for equipment was covered by depreciation charges.

Freight car ownership of Class I railroads declined by about 18,000 cars in 1960, from 1,678,000 at the beginning of the year to an estimated 1,660,000 at year-end. Approximately 47,000 new cars were placed in service during the year. While this was a greater number than had been installed in either of the two prior years it was insufficient to offset the estimated 65,000 cars retired. For certain classes of cars, however, such as specially-equipped box cars, covered hoppers, and "piggyback" flat cars, there were net gains in ownership in 1960.

Low traffic and earnings also caused an increase in the number of freight cars awaiting repairs. The "bad order" percentage reached the highest level since before World War II. Despite the substantial decline in serviceable car ownership, the supply was generally adequate to meet requirements throughout the year. There were shortages, however, of some special types of cars or cars of particular dimensions.

New cars on order declined in 1960, and the backlog at year-end—estimated at 20,000 cars—foreshadows a further loss in freight car ownership in 1961.

Passenger-train car ownership was further reduced in 1960, in keeping with trends in passenger traffic on railroads generally. Several railroads, however, demonstrated renewed confidence in the passenger-service potential of the industry by investing in additional equipment. Approximately 200 new passenger-train cars were installed in 1960, more than double the

(Continued on page 67)

Table 12: Capital Expenditures and Purchases: 1951-1960

Year	Gross capital expenditures (thousands)	Purchases of fuel materials and supplies (thousands)
1951	$1,413,995	$2,175,859
1952	1,340,912	1,817,750
1953	1,259,797	1,920,481
1954	820,246	1,424,761
1955	909,521	1,637,075
1956	1,227,857	1,833,848
1957	1,394,705	1,816,471
1958	738,036	1,230,617
1959	818,003	1,430,144
1960 (est.)	950,000	1,500,000

Table 13: Ownership Trends—Cars: 1953-1960

Year	Ownership at end of year	New cars installed during year	New cars on order at end of year
		Freight cars	
1953	1,776,017	67,548	27,678
1954	1,735,553	28,405	13,624
1955	1,694,097	35,738	135,293
1956	1,707,683	59,768	103,535
1957	1,746,684	88,482	57,490
1958	1,725,723	39,278	30,328
1959	1,677,965	41,413	43,500
1960 (est.)	1,660,000	47,000	20,000
	Passenger-train cars (incl. Pullman cars)		
1953	40,755	348	449
1954	38,875	389	396
1955	37,597	444	394
1956	35,636	411	252
1957	34,219	191	143
1958	32,344	148	72
1959	30,667	74	159
1960 (est.)	28,500	200	200

NATIONAL

1961

ANNUAL REPORT

TO AMERICA'S RAILROADS

93 Years of Service to Transportation and Industry

PRODUCTS • SERVICES • PRODUCT DEVELOPMENT

Transportation Products Division

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1960 ●●● *the year in brief*

National's Technical Center, Cleveland, continued to make substantial contributions to railroading through its large pool of scientific, technical and engineering talent, and its unparalleled physical facilities for conducting projects involving research, development, engineering and advanced testing.

Many of these investigations centered on products of National manufacture, while others involved other makes on a direct-comparison basis in order to upgrade National's product line still further.

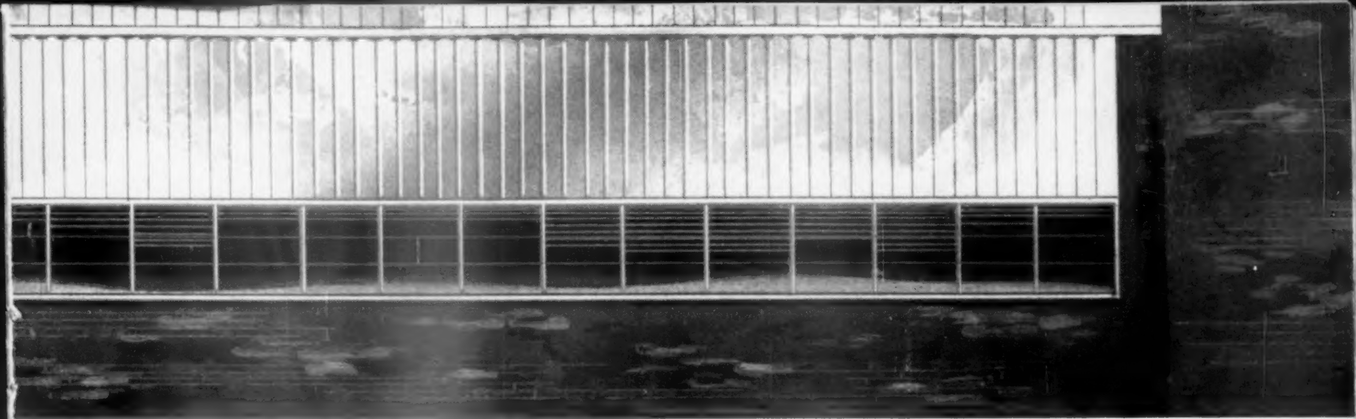
This background of talent, physical facilities and experience form the warp and weft of a pattern of specialized knowledge to be found nowhere else in the railroad equipment field either domestic or foreign.

Field Investigations

Field investigations were performed under both normal day-to-day and extreme operating conditions. Some of these investigations were performed as a routine part of National's continuing customer service program, others at the request of railroads where our representatives acted as trained and impartial observers, still others working in concert with AAR committees.

Contract Research

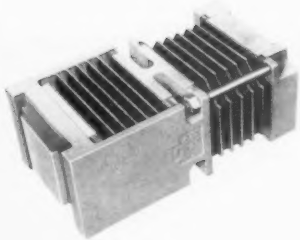
Among the many contract research projects conducted during 1960 were: AAR static tensile design tests on yokes, testing of floor jacks in our million-pound test machine, AAR drop test of knuckle pins, road tests of military trailers, static testing of nailable freight car flooring, impact tests on special rubber cushioning devices, and other investigations of a related nature.

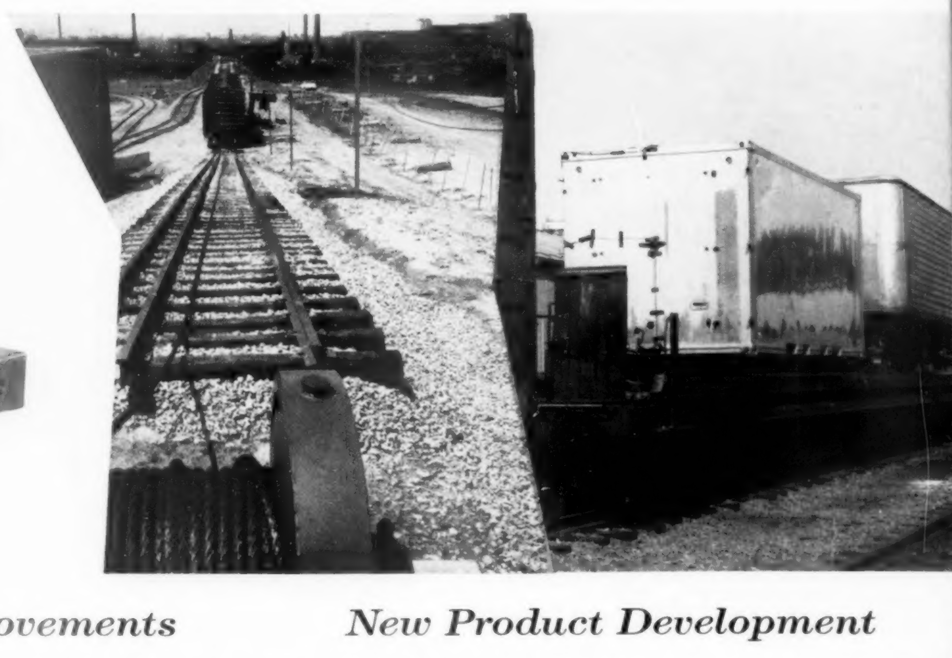


Dedicated to Service and Research

Scientific Research

One of the most important aspects of the Technical Center's activities, scientific research is an area in which it frequently makes some of its most significant contributions to the skill of railroading, as well as to the advancement of engineering technology in many other industries. Research is regularly performed in the areas of mechanics, dynamics, structures, metallurgy, hydraulics and pneumatics, chemistry, electronics and physics — all of it so-called "hard" research with a view to making a better-performing, more saleable product at a lower manufacturing cost.





Product Improvements

Planned, systematic product improvement and upgrading programs, embracing every phase of the company's product line, are a dedicated, year-round activity that makes the National trademark unique in the railway equipment industry. A small cross section of 1960 activities includes ultimate load tests on freight car side frames and high tensile steel bolsters for a major western railroad, tests on improved springs for M-17-A friction draft gear, which have subsequently received AAR approval, impact tests on 75-foot TTX cars and on special rubber cushioning devices, static and anti-creep tests on couplers, and many others.

New Product Development

National's new product development program has many facets, both within and without the railroad field. Revolutionary designs are under intensive development and testing in the areas of impact control, protection of car structures and lading, and other devices of a confidential nature to make for better railroading, more economical shipping and handling at lower costs. Coincident with its railroad new product development program, National is also working in other directions involving the marine, automotive and farm equipment fields, and with the military.


NATIONAL SPEEDLOADER SYSTEM

1959 total. The number of cars on order at year-end was greater than for any other year since 1956. More than one-half of these were double-deck or gallery type coaches for use principally in suburban service.

Locomotive ownership in 1960 followed trend lines established in prior years—a continued growth trend for diesels, a sharp downward trend for steam, and a gradual decline in total units in service. Installation of new locomotives, as shown in Table 14, approximated the number placed in service in 1958, the lowest since 1940, and the backlog of new locomotives on order fell sharply. On October 1, 1960, the latest report at this writing, six railroads reported a total of 41 new diesel-electric units on order, the Union Pacific had 12 gas turbine-electric locomotives on order, and the Pennsylvania was about to receive the first of an order for 66 electric freight service locomotives.

Locomotive supply was fully adequate in 1960, and appears to be sufficient for prospective traffic in the year ahead.

Operating Efficiency

Efforts of the railroads to improve the quality of their services to the shipping and traveling public and to achieve greater efficiency in utilizing their plant and equipment continued in 1960.

Additional modernized yard facilities helped to expedite movement of cars through terminals. Improved signalling and communications systems, grade and curve reduction projects, and other roadway betterments served to further advance the speed of line-haul operations. Increased capacity of freight cars made possible heavier average loads. More powerful locomotives resulted in movement of longer and heavier trains at faster speeds.

Advances in operating technology and mechanization have helped railroads not only to provide the faster service demanded by intensely competitive conditions in the transportation industry, but have also made it possible to partially offset the effects of a wage and price spiral which has far outrun the limited ability of the carriers to increase rates and fares.

Some of the statistical measures of railroad operating efficiency are set forth in Tables 15, 16 and 17 for the period since World War II, including 9 months of 1960. As there shown, both freight and passenger service averages improved in 1960, but equipment utilization, as measured by daily mileage, declined owing to lower traffic levels. Freight train speed, terminal to terminal including waiting and switching time at local points, averaged 19.5 miles per hour in the 1960 period, equal to the average of 1959 and higher than that of any other year.

Load per car, measured by ton-miles per loaded car-mile, reached a new high record of 34 tons. Load per train (ton-miles per train-mile) also established a new record. As a combined measure of gross train load and train speed, gross ton-miles per train hour hit 63,065 in the 1960 period, up 1.8% over the year 1959 and 70% above the average for the postwar year, 1946.

Passenger train speed attained a record average of 40.7 miles per hour in 1960's first 9 months, cars per train (car-miles per train-mile) also reached a new peak of 10.2 cars. Combining the two, car-miles per train-hour averaged 417, up 2.5% over the 1959 average. These so-called indicators of efficiency are influenced, of course, by continued reductions in operation of poorly patronized local and branch passenger trains. Discontinuance of light-traffic trains may also be partly responsible for a further rise in indicated occupancy of passenger cars (passenger-miles per car-mile). This average has increased in almost every year since 1950.

The decline shown in Table 17 in average daily mileage of locomotives and freight cars are indicative of a further easing of equipment supply in 1960.

Legislative Activity

No major legislation to improve the railroad situation was enacted in the second session of the 86th Congress. More constructive action may be hoped for in the new Congress, however, following completion of the Transportation Study soon to be reported under S. Res. 244 (formerly S. Res. 303 and Res. 29). S. Res. 303 in the 85th Congress, as an outgrowth of Senate hearings that culminated in enactment of the Transportation Act of 1958 (P.L. 85-625), authorized the Senate Committee on Interstate and Foreign Com-

(Continued on page 70)

Table 15: Freight Service Averages: 1946-1960

Year	Average train speed (m.p.h.)	Net ton-miles: Per loaded car-mile	Net ton-miles: Per train-mile	Gross ton-miles per train-hour
1946	16.0	31.3	1,086	37,057
1949	16.9	31.4	1,138	42,346
1952	17.6	32.5	1,296	49,113
1955	18.6	32.1	1,374	55,770
1958	19.2	33.0	1,430	60,807
1959	19.5	33.3	1,443	61,926
1960 (9 months)	19.5	34.0	1,473	63,065

Table 16: Passenger Service Averages: 1946-1960

Year	Average train speed (m.p.h.)	Passenger miles per car-mile	Car-miles per train-mile	Car-miles per train-hour
1946	35.5	24.7	9.5	338
1949	37.0	18.0	9.2	341
1952	38.3	18.1	9.8	375
1955	39.8	17.8	9.9	393
1958	40.2	18.6	9.8	394
1959	40.3	18.9	10.1	407
1960 (9 months)	40.7	19.6	10.2	417

Table 17: Daily Mileage, Locomotives and Cars: 1946-1960

Year	Active freight locomotives	Active passenger locomotives	Serviceable freight cars
1946	115.9	221.8	45.2
1949	112.5	228.5	42.9
1952	126.8	266.1	46.2
1955	148.7	312.7	48.2
1958	141.6	335.0	43.6
1959	145.1	327.3	45.9
1960 (9 months)	144.0	324.1	45.8

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Verification of defects with the new Ultrasonic Reflectometer.

merce, or a subcommittee thereof, to make a complete study of federal transportation policies and related problems. As provided by S. Res. 244, approved March 24, 1960, the Committee is to report its findings and recommendations to the Senate not later than January 31, 1961.

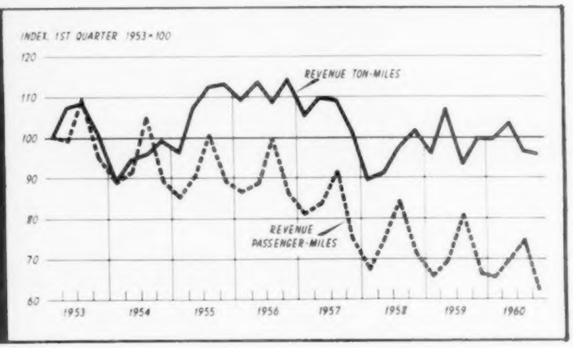
Excise tax relief. After long-continued efforts to repeal the "temporary emergency" excise tax on transportation of persons, Public Law 86-75, approved June 30, 1959, had provided for reduction of this punitive tax from 10% to 5% effective July 1, 1960. However, this action was stayed by Public Law 86-564, approved June 30, 1960, which extends the 10% rate until July 1, 1961.

Deductions for federal income tax purposes. Public Law 86-781, approved September 14, 1960, has the effect of limiting state ad valorem tax deductions for Federal income tax purposes. Several states have passed or have under consideration statutes changing the lien or accrual dates of state ad valorem taxes with the result that two lien or accrual dates would fall within the same year, thus permitting deduction in a single year of two years' state taxes. The Internal Revenue Service had ruled that, except for taxpayers who had been specifically permitted by letter or revenue ruling to accrue and deduct more than 12 months' property taxes in a particular year, deduction of more than one year's state taxes in a single income tax year would be disallowed, and this ruling was made retroactive. Public Law 86-781 prohibits such "double deductions" as a result of changes in state statutes after December 31, 1960, and is to apply to taxable years ending after December 31, 1960. However, statements on the House and Senate floors, and in the Conference Report, clearly show that taxpayers who acted in good faith in taking such deductions should not be subjected to retroactive action by the Treasury Department.

REVENUE TRAFFIC, BY QUARTERS

1953-1960

Class I Railroads



Tax accrual of vacation pay. Public Law 86-496, approved June 8, 1960, extends the Section 97 provisions of the Technical Amendments Act of 1958 (P.L. 85-866) by permitting taxpayers to continue to deduct accrued vacation pay for any taxable year ending before January 1, 1963.

Discharge of indebtedness. Section 1 of Public Law 86-496, approved June 8, 1960, amends Section 108(b) of the Internal Revenue Code of 1954 so that no amount shall be included in gross income of a railroad corporation by reason of its discharge of indebtedness, either in a receivership proceeding or a proceeding under Section 77 of the Bankruptcy Act which was commenced before January 1, 1960. This provision gives the same treatment accorded prior to 1957 to those railroads now coming out of such proceedings.

Accident reports. Public Law 86-762, approved September 13, 1960, amended the Accident Reports Act which requires each railroad to report monthly to the Interstate Commerce Commission all collisions, derailments, or other accidents "arising from the operation of a railroad" and resulting in injuries to persons or damage to equipment or roadbed. The amendment, sponsored by the Railway Labor Executives' Association and agreed to by the railroads, broadened the definition of the term "arising from the operation of a railroad" to include "all activities of the railroad which are related to the performance of its transportation business."

The bill in its original form would have required reporting all accidents and all injuries to persons, no matter how small the damage to railroad property or how slight the injury to any person. To prevent such burdensome legislation, the railroads agreed to sit down with representatives of the RLEA and of the ICC to work out less burdensome definitions of reportable accidents and reportable personal injuries.

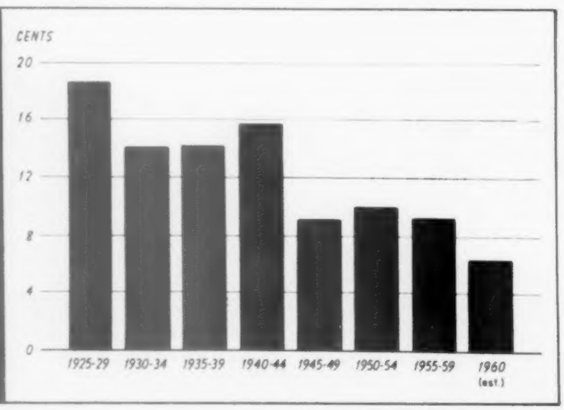
The Interstate Commerce Commission on December 22 issued an order revising its rules governing monthly reporting of railroad accidents. In addition to broadening the scope of accident reporting to conform to the amended definition in PL 86-762, the revised rules reduce from 72 to 24 hours the period of employee disability before an on-duty accident becomes reportable. According to the Commission's announcement, this reduction conforms with general practice in American industry. The revised rules apply to all accidents occurring on or after January 1, 1961.

Other legislative matters. Bills of major interest to railroads which were introduced but not acted upon in the 86th Congress included: S. 3608 and H.R. 12395, to establish the Inland Navigation Commission and to provide for fair and reasonable charges for use of inland waterway navigational improvements constructed, maintained, or operated with federal funds; S. 3765

NET RAILWAY OPERATING INCOME PER DOLLAR OF GROSS REVENUES

1925-1960

Class I Railroads



and H.R. 2172, to provide shorter life of railroad property for federal income tax depreciation; H.R. 12413 and H.R. 12414, respectively, to extend to railroads and to repeal the agricultural commodities exemption in Part II of the Interstate Commerce Act; S. 3618-H.R. 12109 and S. 1809-H.R. 8467, respectively, to extend to railroads and to repeal the bulk commodity exemption in Part III of the Interstate Commerce Act; H.R. 12920, to eliminate payments under the Railroad Unemployment Insurance Act to striking employees; H.R. 12451, to redefine the term "employee" as used in the Railway Labor Act; H.R. 12806, to establish a contributory sickness insurance account under the Unemployment Insurance Act; S. 3603 and H.R. 12121, to terminate subsidies to domestic trunk air carriers; and H.R. 12595 and S. 3214, to prohibit generally the flying of mail other than airmail, which passed the House but was not acted upon in the Senate.

Efforts continued in the second session of the 86th Congress to repeal or drastically amend Section 13a of the Interstate Commerce Act, which was adopted as part of the Transportation Act of 1958 to deal more effectively with the problem of train discontinuances. S. 3020 and H.R. 9742, representing a complete reversal of the constructive purpose that led to the enactment of Section 13a, would have substituted a wholly different and far-reaching scheme of regulation. They would have made discontinuances and curtailments so difficult as to be practically impossible and would, also, have given the ICC sweeping powers over the most minute details of passenger service, including sanitation and comfort in passenger facilities, and schedules of operations, maintenance, and use of passenger equipment, with penalties for noncompliance.

Hearings on S. 3020 and H.R. 9742 were held by subcommittees of the Senate and House Committees on Interstate and Foreign Commerce, but no further action was taken.

Hearings were held by the Transportation and Aeronautics Subcommittee of the House Committee on Interstate and Foreign Commerce on bills (H.R. 7960, H.R. 7961, H.R. 7962, H.R. 9279, H.R. 9280, and H.R. 9281) to implement proposals for removal of artificial obstacles to transport diversification. No hearings were held on similar bills (S. 1353, S. 1354, and S. 1355) introduced in the Senate.

Hearings were held before a special subcommittee of the Senate Judiciary Committee on S. 3548, a bill to overcome the effect of the Supreme Court's 5-4 decision of April 18, 1960, in *Order of Railroad Telegraphers v. Chicago and North Western Ry. Co.* The majority of the Court held that the Telegraphers' demand for a contract provision forbidding abolition of jobs by the Chicago & North Western without the union's consent was a lawful subject for collective bargaining under the Railway Labor Act; also that the Norris-LaGuardia Act barred federal courts from enjoining a union strike to enforce its demands.

S. 3548, as an omnibus bill to overcome the Supreme Court's decision, declares that the creation or discontinuance of positions are not within the scope of mandatory collective bargaining under the Railway Labor Act or the National Labor Relations Act, and that such disputes are not labor disputes under the Norris-LaGuardia Act limiting jurisdiction of federal courts to grant injunctions in labor disputes. The subcommittee has issued no report on the bill.

On July 1, 1960, the House Ways and Means Committee reported H.R. 7123 with amendments. This bill provided that an expense which otherwise qualifies as a trade or business expense will not be disallowed as an income tax deduction because it is expended or incurred to influence action by Congress or other legislative bodies with respect to legislative or constitutional proposals. Although this measure would have helped to settle a long-standing issue regarding deductibility of sums so expended, no further action was taken on the reported bill.

During 1959, hearings were held before subcommittees of the House Committee on Interstate and Foreign Commerce on H.R. 2481, and of the Senate Committee on Banking and Currency on S. 1181, proposals to amend certain provisions of the Investment Company Act of 1940, as amended. Section 7 of these bills proposed to amend Section 3 (c) (9) of the Act which, in effect, could have subjected railroads, already subect to regulation by the Interstate Commerce Commission, to regulation by the Securities and Exchange Commission. In lieu of S. 1181, the Senate Committee on Banking and Currency on June 28, 1960, reported S. 3772 which did not contain the objectionable provision. S. 3772 was passed by the Senate on July 2, 1960, and by the House with amendments on August 30, 1960. It was then returned to the Senate, which did not act on the amended bill before adjournment.

Various bills were introduced in the 86th Congress to amend the Interstate Commerce Act in respect to authority of the Interstate Commerce Commission to fix amounts railroads pay for use of freight cars belonging to other railroads.

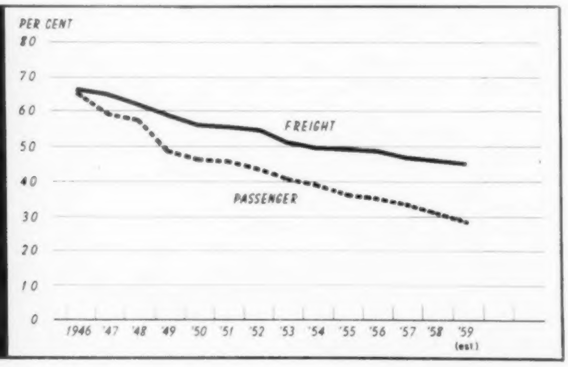
S. 1789, "to insure the adequacy of the national railroad freight car supply," would amend Section 1 (14) (a) of the Act so as to revise the standards by which the ICC is guided in exercising its authority to set the per diem rate. This bill was favorably reported without amendments on June 29, 1959, by the Senate Committee on Interstate and Foreign Commerce and was placed on the calendar. The bill was cleared by the Majority Policy Committee on July 21, 1959, but no further action was taken.

On August 13, 1959, H.R. 7937 (identical with S. 1789) was favorably reported by the Transportation and Aeronautics Subcommittee of the House Committee on Interstate and Foreign Commerce. The full committee reported the bill on August 31, 1960, but no further action was taken.

S. 1425, to permit federal regulation of the operation of track motor cars and other self-propelled equipment, was reported favorably by the Senate Committee on Interstate and Foreign Commerce on June 10, 1960. (S. Rep.

RAILROAD SHARE OF COMMERCIAL INTERCITY TRAFFIC IN THE UNITED STATES

1946-1959



1546, 86th Congress, 2d Session). The reported bill contained two Committee amendments said to have been adopted to prevent featherbedding, but which minority members of the Committee indicated would not be effective. The Senate did not act on the bill and no action was taken on H.R. 2487, the identical bill in the House.

The Merchant Marine and Fisheries Subcommittee of the Senate Committee on Interstate and Foreign Commerce held hearings on "Coastal and Intercoastal Shipping," at which representatives of coastal and intercoastal shipping interests, port authorities, inland water carriers, and truckers attacked the rate-making provisions of the Transportation Act of 1958 (Section 15a(3) of the Interstate Commerce Act) and their administration by the Interstate Commerce Commission. Virtually all these witnesses described rate reductions made by railroads to meet competition and charged railroads with selective rate-cutting, allegedly to eliminate water and truck competition and to create a rail monopoly. The water transport groups are making a concerted effort to have certain sections of the Interstate Commerce Act rewritten so as to require, among other things, that rail rates reflect differentials over water rates. They also seek to rewrite the suspension provisions of the Act.

Although these hearings did not deal with specific legislation, S. 1881, S. 3047, and S. 3048, as introduced and discussed, would provide the kind of legislation sought by water carriers and associated groups. A report, dated August 29, 1960, *Decline of the Coastwise and Intercoastal Shipping Industry,* was issued by the Senate Merchant Marine and Fisheries Subcommittee, together with an expression of minority views.

Hearings were resumed on April 27, 1960, before the House Committee on Public Works on H.R. 8, a bill to promote and establish policy and procedure for development of lakes, rivers, and streams. The bill, by further loosening present standards, would make it possible to recommend to Congress construction of many navigation and other water resource projects that could not be justified or recommended under criteria presently used in project evaluation. This proposed measure also ignores the most important defect in present federal policies and practices with respect to facilities for navigation —the failure to require users to pay compensatory charges for operations on waterways improved and maintained at the expense of general taxpayers.

After the hearings the House Committee on Public Works announced that Committee action would be deferred until the next Congress.

Investigations

Although it was not outstanding for decisive actions of great consequence, 1960 was a busy year in the conduct of studies and investigations of transportation policies and problems, and with respect to some important administrative proceedings.

Transportation Report by the Secretary of Commerce. President Eisenhower on March 14, 1960, transmitted to Congress the report on the "comprehensive study of national transportation" which early in 1959 he had directed the Secretary of Commerce to undertake in order "to identify emerging problems, redefine the appropriate Federal role, and recommend any legislation or administrative actions needed to assure the balanced development of our transportation system." The report, emphasizing throughout the need for increasing reliance on private enterprise and lessening dependence on government action, set forth long-range proposals to deregulate the transportation industry and permit it to operate "the same as the rest of the American free enterprise system." There were 78 recommendations in the report, of which 20 called for legislative action while the others involved administrative procedures.

Characterizing the railroads as "the outstanding unsubsidized 'sick man' of transportation," the report urged the imposition of user charges wherever transportation uses Federal facilities, the elimination of subsidies, and tax adjustments at Federal, state and local levels to remove existing inequities.

Regulation should continue only "where monopoly or the threat of destructive competition remains," the report advised, pointing out further: "This approach requires greater freedom for the carriers in setting their own rates and determining and developing their routes and services. The tighter regulation that was well adapted to protecting the public under the predominant monopoly of the railroads is no longer well suited to highly competitive transport networks. Common carrier rates of all kinds are rapidly becoming regulated by competition whether the common carriers like it or not—the competition of highly developed private and exempt carriers . . ."

The report also stated that railroads "should in the long run probably take a larger proportion of the freight market for which they are economically suited: long hauls, full carloads and train loads, and heavy-density mainline traffic. They should consolidate, rationalize, and drop duplicating facilities and obsolete plant."

Senate Resolution 244. As noted elsewhere in this review, it is expected that early in 1961 the Senate Committee on Interstate and Foreign Commerce will report its findings and recommendations under S. Res. 244, which states that "there is urgent need for a comprehensive study of . . . transportation policy and related problems by the Congress, to the end that sound policies may be evolved."

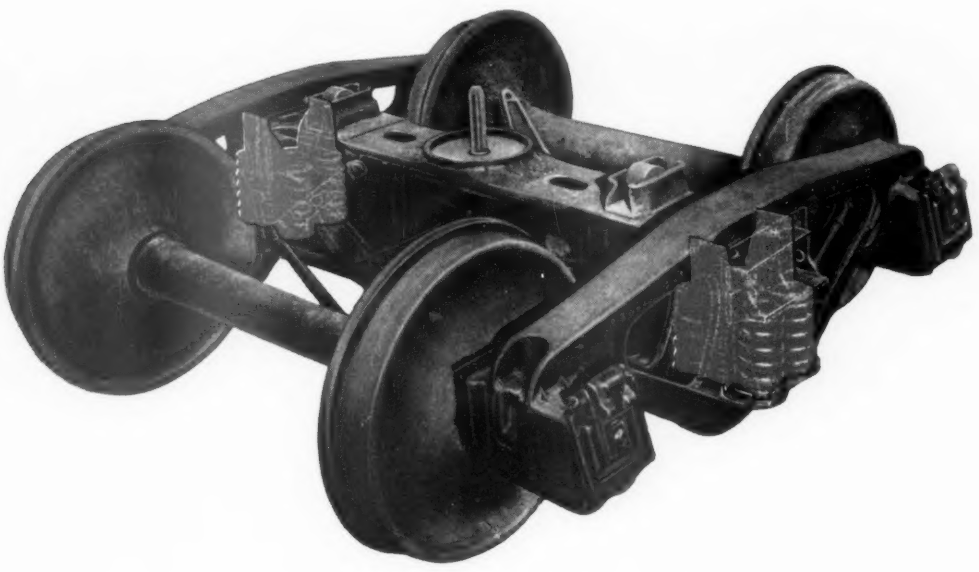
A 900-page staff report submitted to the committee at year-end recommended sweeping changes to coordinate, respectively, the regulatory and the promotional activities of the government in the transportation field. This task force report also recommended user charges for bargelines and airlines, Federal legislation to exempt railroads and pipelines from state property taxes on their rights of way, Federal loans for capital improvements of railroad commuter services, government action to force reluctant railroads to merge, and possibly the formation of a National Railroad Passenger Service Corporation to gradually take over the nation's intercity passenger trains.

Kennedy report. On Dec. 26 James M. Landis submitted to President-elect Kennedy a report recommending the reorganization of Federal regulatory agencies, changes in top-level and staff personnel, and creation within the Executive Office of the President of three offices to coordinate and develop national policies in the transportation, communications and energy fields. He also proposed that an Office for the Oversight of Regulatory Agencies be established to assist the President in assuring "the efficient execution of those laws that these agencies administer." Development of a national transportation policy, Mr. Landis further said, calls for the achievement of maximum efficiency in transport, which means that "at a given level and structure of capital investment, efficiency requires that traffic be distributed among motor carriers, railroads, water carriers, pipelines and air carriers in such a way that each type receives the traffic which it can carry with the best consumption of resources by the carrier for the service standards required by the user."

National Academy of Sciences. Also recognizing serious difficulties confronting transportation, the National Academy of Sciences—National Research Council, with financial assistance provided by the Rockefeller Foundation, the National Science Foundation and the Office of Civil and Defense Mobilization, conducted through the month of August 1960 a Conference on Transportation Research at Woods Hole, Massachusetts. All segments of transportation partici-

(*Continued on page 74*)

BARBER Stabilized Trucks are Frequently Improved



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In its report on the Conference the Academy cited a need for "fresh approaches," pointed to "government policy . . . aimed at providing an environment that can nurture a healthy, dynamic system, responsive to changing conditions and emerging technology." The report particularly urged that "a research program which can add to understanding and lead to the improvement of the composite transportation function needs to be conceived, organized, programmed, and financially supported."

Investigation of the New Haven. Observing that "the notion that railroad treasuries are bottomless is fast disappearing," a proposed report signed by Commissioner Charles A. Webb and Hearing Examiner Richard S. Ries on the investigation of the New Haven Railroad (I.C.C. Docket No. 33332) contains statements whose implications extend beyond the plight of the railroad directly involved.

The report notes that the road's condition is due in part to "excessive State and local taxation, to the discriminatory promotional policies of the governmental agencies, and to the shortsightedness manifested at times by patrons and by employees of the carrier."

"If, as we believe, the New Haven Railroad is still a vital artery of transportation, its preservation cannot be made the exclusive responsibility of any individual or any single group of individuals," the report found, adding that when the present management took over a few years ago "a disastrous flood and the follies of their predecessors had nearly sealed the carrier's fate."

Specifically, the recommended program called for Federal, State and local tax relief, a 20 to 30% increase in fares coupled with prompt improvement in passenger equipment, abandonment of portions of the rail lines, better management of the railroad and of its motor carrier subsidiary, possible legislation authorizing the Interstate Commerce Commission to find State and local railroad taxes unlawful as an undue burden on interstate commerce, and a Federal program related to acquisition of passenger train equipment.

As to Federal action regarding commuter services the report said: "We believe the time has come for the Commission to urge upon the Congress a larger and more direct Federal role in connection with the mass transportation problems of large urban areas. . . . We believe, however, that a program of Federal cash subsidies, whether lavish or modest, would, in the long run, do more harm than good."

Railroad mergers. The merger movement in the railroad industry gained further momentum in 1960 and some important unions were consummated. More than a score of major railroads have been involved in recent merger and acquisition proposals designed to yield operating economies through the elimination of duplicate facilities and services and, thus, to enable the railroads to cope with increasing intensity of competition from other means of transportation. Emphasizing the potentialities and the importance of these developments, a member of the Commission stated on November 30, 1960, that "the Interstate Commerce Commission stands ready, willing, and able —and I might say anxious—to give thorough and sympathetic consideration to any merger proposals under Section 5."

Mergers accomplished in 1960 brought together: the Erie and the Delaware, Lackawanna & Western to form the Erie-Lackawanna, approved October 15 and effective October 17; the Minneapolis & St. Louis by sale to the Chicago & North Western, approved October 14 and effective October 24; the three-way merger of the Minneapolis, St. Paul & Sault Ste. Marie, the Wisconsin Central, and the Duluth, South Shore and Atlantic into the Soo Line, approved December 2 and effective December 13; and merger into the Canadian National system of the Vermont & Province Line, the Champlain & St. Lawrence, the United States & Canada, and the Atlantic & St. Lawrence, approved May 4, 1960.

Other merger and acquisition proposals actively under study or negotiation in 1960 included the following: merger of the Atlantic Coast Line and the Seaboard Air Line, on which ICC hearings began November 28 and are scheduled to resume early in 1961; competing proposals for control and eventual merger of the Baltimore & Ohio by the Chesapeake & Ohio and the New York Central; competing proposals for acquisition of the Western Pacific by the Santa Fe and the Southern Pacific; the proposed union of the Great Northern, Northern Pacific, Burlington, and the Spokane, Portland & Seattle to form a 24,728-mile system; and the merger of the Chicago, Rock Island & Pacific and the Milwaukee.

In addition to these, plans were announced during the year for the merger of the Nickel Plate and the Wabash with the Norfolk & Western.

In a move toward unification of an affiliate, the Pennsylvania offered to buy, subject to ICC approval, the remaining stock of the Lehigh Valley not already owned or controlled by the PRR.

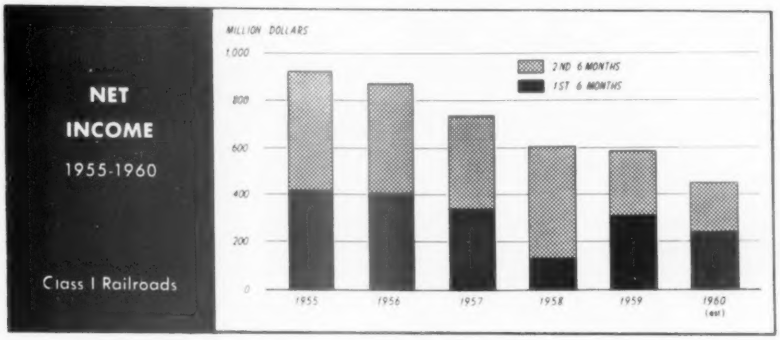
No progress was reported on earlier plans for unification into a New England system of the New York, New Haven & Hartford; the Boston & Maine; the Bangor & Aroostook; the Maine Central, and the Rutland.

Following studies and negotiations, the Chicago & Eastern Illinois rejected an offer of acquisition through stock exchange and possible merger with the Missouri Pacific. In Finance Docket No. 20915, an ICC examiner's report recommended denial of an application by the Chicago & Eastern Illinois to merge its wholly-owned subsidiary, the Chicago Heights Terminal Transfer. Exceptions have been filed and oral argument requested.

In competing applications the Southern and the Louisville & Nashville sought control of the Interstate. A recommended report filed October 6, 1960, recommended that the Southern's application be granted. Exceptions and replies have been filed, but no order has yet been issued. The Southern also applied to the ICC for authority to acquire control of the Central of Georgia through ownership of a majority of the Central's capital stock, after having contracted to buy, subject to ICC approval, the 71% interest in the Central of Georgia held by the St. Louis-San Francisco.

By joint application to the ICC the Southern Pacific and three of its subsidiaries—the Texas & New Orleans, the El Paso & Southwestern of Texas, and the El Paso Southern—have proposed to merge the properties and franchises of the three subsidiaries into the SP. No action has been taken on this application.

Railroad acquisition of barge line. In a major test case on transport diversification under common ownership, the Illinois Central and Southern Pacific in I.C.C. Finance Docket No. 20940 jointly seek authority to purchase the John I. Hay Company, a carrier by water on certain of the inland waterways. Hearings on the application have been completed and briefs filed, with many shippers supporting, and with barge lines and the trucking industry opposing.



NET INCOME
1955-1960
Class I Railroads

Piggyback rates. The growing volume of piggyback or truck-trailer-on-flatcar traffic, referred to elsewhere in this review, has brought to the fore the matter of rates on such traffic. In a 128-page proposed report in Docket No. 32533—*The Eastern Central Motor Carriers Association, Inc. v. Baltimore and Ohio Railroad Company, et al.*—and related proceedings, an ICC examiner recommended that the Commission find that the rail rates and charges on freight of all kinds, loaded in highway trailers or containers and on empty highway trailers or containers in piggyback Plans III and IV service, "are unjust and unreasonable, otherwise unlawful, against the public interest and in contravention of the national transportation policy."

In explanation of that view the examiner said that Plan III and IV rates and charges have been diverting increasing amounts of traffic from motor carriers, as well as from Plan II and boxcar service of the railroads. The assailed freight forwarder volume commodity rates, the examiner also found, were not shown to be unjust and unreasonable or otherwise unlawful.

Riss case. After ten months of trial and 10 days of deliberation by the jury, the Association of American Railroads and 22 individual railroads were cleared of conspiracy charges on November 5, 1960, in the U.S. District Court for the District of Columbia in an antitrust treble damage suit brought by Riss & Company, Inc., a Kansas City trucking company.

Riss, in a complaint originating in 1954, charged 85 railroad and other defendants with conspiracy in an effort to force the motor carrier out of the explosives-hauling business. Complaints were dismissed before trial with respect to all except 28 defendants—23 railroads, four railroad associations, and a public relations firm. The jury found against the five remaining defendants and awarded Riss & Company damages of $75,000, but under provisions of antitrust law Judge Sirica tripled the award to $225,000 plus costs and attorneys' fees. It is expected that the decision will be appealed.

Brake inspection rule. On June 1, 1960, the Interstate Commerce Commission in Docket No. 32406 held itself to be without jurisdiction to approve rule changes that merely improve economy or efficiency. It held that rules for inspection, installation, and maintenance of power brakes cannot be amended unless such amendment will improve safety. The Association of American Railroads and certain member roads had petitioned the Commission for modification of the rules to permit individual carriers to obtain relief in special circumstances from the literal language of the rule requiring intermediate brake inspections at intervals not to exceed 500 miles. The carriers had shown that granting of their petitions would improve efficiency without impairing safety.

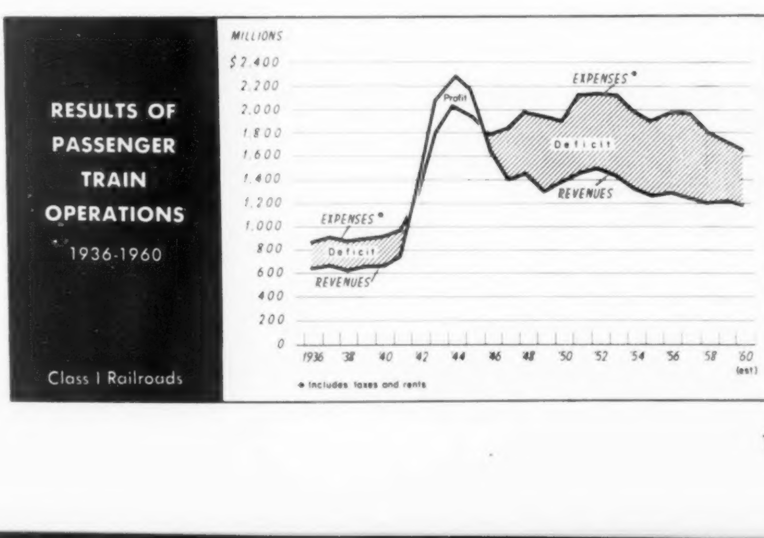
Loan guarantees. Under the temporary provisions of the Transportation Act of 1958 for the guarantee of loans to railroads in need of financial relief, applications to the Interstate Commerce Commission for guarantees had amounted as of December 31, 1960, to $100,792,460, of which $79,-317,360 were approved, $13,475,000 were amended or withdrawn, $5,000,-000 were denied and $3,000,000 were pending.

Authority of the ICC to guarantee such loans, up to an aggregate principal amount of $500,000,000, extends to March 31, 1961.

Seaway tolls on newsprint. After public hearing held in Washington, D.C., on June 16, 1960, the Joint Tolls Advisory Board recommended against application by manufacturers, handlers and users of newsprint to have it reclassified for shipment via the St. Lawrence Seaway from general cargo to bulk cargo so as to qualify for a reduced toll rate. The Board found the present classification of newsprint as general cargo to be not unjustly discriminatory and unanimously recommended that it should continue to be classified as general cargo for tariff purposes.

On October 7, 1960, it was announced that both the Saint Lawrence Seaway Development Corporation of the United States and The St. Lawrence Seaway Authority of Canada concur in the findings and recommendations of the Joint Tolls Advisory Board. The proposed reclassification of newsprint threatened generally to obliterate the established distinctions between general cargo and bulk cargo and to erode toll revenues required for self-liquidation of the Seaway as required by law.

Freight car per diem. No actions were taken during 1960 by the Interstate Commerce Commission in Docket Nos. 31358 and 33145 with respect



RESULTS OF PASSENGER TRAIN OPERATIONS
1936-1960
Class I Railroads

to per diem rates for freight cars. Prior developments in these matters were set forth in the 1959 Review [RA, Jan. 18, 1960, p. 78].

Railroad retirement and unemployment programs. Operations under the railroad retirement and unemployment systems during 1960 reflected the full annual effect of the liberalized amendments to the Railroad Retirement and Unemployment Insurance Acts which became effective June 1, 1959. A total of 110,966 annuities were granted during the 12 months ended September 30, 1960, of which 48,724 were on account of age and disability with the remainder comprising spouse and survivor annuities.

Total benefit disbursements during the 12 months ended September 30, 1960, amounted to $941,953,000 compared with $816,081,000 for the corresponding period ended September 30, 1959. The balance to the credit of the railroad retirement account as of September 30, 1960, amounted to $3,840,740,000.

The retirement payroll tax of 13½% on monthly compensation up to $400 per month, paid equally at the rate of 6¾% by the railroads and employees, was effective during 1960, but is scheduled to rise to 14½% effective January 1, 1962.

Declining railroad traffic and revenue with consequent unemployment, as well as additional benefits conferred by the 1959 amendments and payments to those affected by railroad strikes, kept unemployment benefit payments at a high level during 1960. The unemployment payroll tax rate of 3¾% on monthly compensation up to $400 (the maximum provided under the present law), paid entirely by the railroads, proved inadequate to meet current disbursements for unemployment and sickness. To alleviate this situation resort was made to the 1959 amendatory provision of the Railroad Unemployment Insurance Act under which the Retirement Board is given authority to borrow funds from the Railroad Retirement Account when the balance in the unemployment account is not sufficient to pay benefits due. As of November 30, 1960, the balance of principal and interest due the Railroad Retirement Account was $149,947,520.

Downturn May End by Mid-Year

The new year opens in an atmosphere of economic and political uncertainty. While there is no mistaking the downward direction which most economic trend lines are now following, it is not clear at this time how long that course will be pursued or how deep will be the penetration into the nation's business life. Perhaps the memory of overly-optimistic forecasts at the beginning of 1960 has tended to create a more conservative approach to the question this year.

Hopefully, some observers suggest that the current downturn may be halted by mid-year and that the relative decline from the peak to the valley may not be so severe as in the case of other postwar recessions.

A new administration takes over the reins of the Federal Government in Washington this week. For the first time in some years both the executive and the legislative branches of government will be in control of the same political party. The new administration has pledged itself to take constructive steps regarding the nation's transportation problem.

Looking ahead to 1961 and beyond, railroads are encouraged by several factors. The continuing growth in "piggyback" traffic, the awakening interest of local governments in the financial problems involved in the continuing production of railroad suburban passenger services, the modernization of the freight rate structure, and other railroad self-selp measures may be expected to be productive.

As in the past, railroads will continue to explore all avenues of possible solution to their problems. Vast changes are being made in the railroads' plant and operating methods to enable them to do a better job for the public. The public, in turn, is becoming increasingly aware of the destructive inequities railroads are up against in the government's treatment of the various forms of transportation.

Railroads see signs of recognition of their great need for relief from some of the repressive taxes they are forced to pay and the equal need for relief from some of the shackles of outdated government regulation. There is also growing public recognition of the need to collect adequate user charges from commercial carriers who benefit from mounting government spending for highways, airways and waterways.

For some months to come, it appears likely that railroads will continue to experience rough going. There is little optimism with respect to the immediate production prospects in the steel, coal and other basic industries which furnish the bulk of the railroads' freight traffic. Further, beginning March 1, 1961, railroads will bear effective March 1 an additional $100 million of new annual costs for wage and fringe benefit increases. Relief from the burdensome work rules presently in effect for train and engine service employees seems some months away.

But, with the right kind of help at national and local levels, the railroad industry will successfully meet its 1961 problems. The industry is still the bulwark of the nation's transportation system.

RATE BREAKTHROUGHS? *(Continued from page 37)*

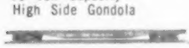
which move out of those points by truck or by water.

- More attention will be paid to refinement of ICC Form A as the basis for railroad costs.
- Increasing emphasis will be placed on the "total cost" concept of transportation. As explained by Dr. Paul H. Banner, chairman of the Southwestern-Western Trunk Line Railroads' Research Committee: "The costs we are attempting to determine are the actual and possible system costs to the shipper using alternative forms of transportation . . . System costs to the shipper include not only the rates charged but the differential costs associated with transportation. Equal rates between points A and B for different forms of transportation do not necessarily mean equal costs. Shipments of the same product via different forms of transport may entail quite different production methods."

If 1961 can produce noticeable progress toward fulfillment of some, or all, of those "guesses," it will mean the railroads are finally bringing to bear upon rate-making procedures what L. E. Galaspie, director of traffic for Reynolds Metals Co., terms "the same constructive imagination that has brought about modernization of operating equipment." Such progress must come, and it should come this year, because, as Mr. Cramer says, "We in the railroad industry do not have too much time."

Important Things Are Happening!

70 Ton Capacity
High Side Gondola



70 Ton Capacity
Steel Flat Car

50 Ton Capacity
Steel Sheathed Box Car

At Magor new concepts in design spark the imagination. New materials, new production techniques in the experienced hands of craftsmen create new standards of durability and dependability. They provide you with undreamed of utility in standard, custom built, and special cars. New Magor lightweight steel ore cars and aluminum covered hopper cars are outstanding examples.

The vitality—the creative leadership at Magor solves special problems, meets the need for something better for leading railroads at home and abroad. It has been doing so now for 58 years. Find out for yourself what lies behind this long-standing vote of confidence!

CARE is the striking difference in the construction of every quality Magor car!

MAGOR
CAR CORPORATION

MAGOR

660 Van Houten Ave., Clifton, N.J.

AN EXCLUSIVE RAILWAY AGE INDUSTRY SERVICE . . .

Statistical Review of 1960

CONTENTS

CHANGES IN CASH AND CURRENT ASSETS

	Cash & Temporary Cash Investment Sept. 30		Inc. or Dec.	Total Current Assests		Total Current Liabilities		Excess of Current Assets over Liabilities		Inc. or. Dec.
	1960	1959	%	End of Sept. 1960	End of Sept. 1959	End of Sept. 1960	End of Sept. 1959	End of Sept. 1960	End of Sept. 1959	%
AT&SF	$90,872,403	$158,430,677	−42.6	$162,353,896	$226,269,864	$87,631,311	$96,126,164	$74,722,585	$130,143,700	−42.6
ACL (incl. C&WC)	13,934,858	16,318,608	−14.6	43,758,145	46,694,186	17,144,270	16,911,192	26,613,875	29,782,994	−10.6
B&O	20,616,525	28,864,158	−28.6	89,814,506	86,151,124	73,409,386	55,656,415	16,405,120	30,494,709	−46.2
B&M	5,676,635	7,048,839	−19.5	17,901,654	20,032,281	18,664,497	16,773,419	−762,843	3,258,869	*
CofGa	6,259,818	8,092,349	−22.6	11,997,583	14,900,730	7,023,305	7,516,697	4,974,278	7,384,033	−32.6
CofNJ	7,354,721	6,635,742	+10.8	17,913,527	16,504,909	10,125,347	10,048,477	7,788,180	6,456,432	+20.6
C&O	72,403,596	61,557,163	+17.6	119,883,406	111,899,036	58,584,467	53,526,320	61,298,939	58,372,716	+ 5.0
C&EI	329,667	1,637,558	−79.9	6,749,961	7,392,317	9,312,042	7,928,751	−2,562,081	−536,434	*
C&NW (incl. CStPM&O)	9,231,411	9,912,879	− 6.9	39,738,234	43,037,142	47,145,742	47,130,212	−7,407,508	−4,093,070	*
C&BQ	34,212,187	34,556,541	− 1.0	76,773,380	78,953,984	35,003,176	37,344,124	41,770,204	41,609,860	+ 0.4
CGW	3,496,542	4,859,492	−28.1	8,620,641	9,851,290	5,306,344	5,717,450	3,314,297	4,133,840	−19.8
CMStP&P	17,193,864	24,859,788	−30.8	57,409,806	65,288,845	42,480,503	42,382,203	14,929,303	22,906,642	−34.8
CRI&P	19,606,663	25,842,433	−24.1	52,991,179	58,651,547	33,005,833	36,104,605	19,985,346	22,546,942	−11.4
D&H	10,918,386	12,307,213	−11.3	18,105,265	20,007,919	4,132,751	4,932,508	13,972,514	15,075,411	− 7.3
DL&W	10,215,793	12,409,839	−17.7	22,648,422	25,653,349	10,431,928	11,011,345	12,216,494	14,642,004	−16.6
D&RGW	26,565,324	26,734,894	− 0.6	44,030,239	41,755,823	16,800,630	15,894,973	27,229,609	25,860,850	+ 5.3
DM&IR	9,090,750	8,300,083	+ 9.5	16,321,674	14,735,460	13,091,175	8,022,450	3,230,499	6,713,010	−51.9
EJ&E	15,870,521	13,236,472	+19.9	20,529,152	17,173,188	13,747,273	10,980,958	6,781,879	6,192,230	+ 9.5
Erie	11,438,373	12,287,714	− 6.9	31,735,114	32,943,813	29,112,410	25,772,042	2,622,704	7,171,771	−63.4
GTW	1,107,946	1,549,825	−28.5	9,689,727	10,196,029	5,383,263	6,415,822	4,306,464	3,780,207	+13.9
GN	61,311,140	62,538,478	− 2.0	107,216,359	104,482,982	36,624,147	35,921,451	70,592,212	68,561,531	+ 3.0
GM&O	21,150,816	23,205,100	− 8.9	36,740,350	39,141,478	17,106,179	20,456,161	19,634,171	18,685,317	+ 5.1
IC	54,047,105	59,679,245	− 9.4	89,139,467	95,868,008	37,740,771	40,613,257	51,398,696	55,254,751	− 7.0
LV	2,386,622	2,083,498	+14.5	9,666,172	9,461,791	7,966,869	7,046,115	1,699,303	2,415,676	−29.7
LI	4,482,102	3,988,785	+12.4	9,496,664	9,503,251	11,227,733	11,134,318	−1,731,069	−1,631,067	*
L&N (incl. NC&StL)	56,614,967	35,249,385	+60.6	101,847,220	79,383,147	29,665,481	30,987,012	72,181,739	48,396,135	+49.1
MStP&SSM	3,689,057	5,905,433	−37.5	16,354,201	15,420,897	8,882,940	9,760,301	7,471,261	5,660,596	+32.0
MKT	7,062,673	8,266,396	−14.6	16,247,150	18,894,491	11,470,796	10,654,142	4,776,354	8,240,349	−42.0
MP	30,141,626	45,384,717	−33.6	94,330,700	81,861,531	53,517,095	56,991,418	40,813,605	24,870,113	+64.1
NYC	60,702,650	60,381,383	+ 0.5	137,432,155	132,374,932	119,131,965	119,137,870	18,300,190	13,237,062	+38.2
NYC&StL	35,292,310	34,950,719	+ 1.0	53,159,068	52,500,569	25,732,793	25,660,477	27,426,275	26,840,092	+ 2.2
NYNH&H	2,533,889	8,045,383	−68.5	22,428,431	28,398,504	39,012,306	33,707,759	−16,583,875	−5,309,255	*
N&W (incl. Va.)	86,730,443	81,384,097	+ 6.6	127,433,985	124,409,613	40,271,494	40,619,263	87,162,491	83,790,350	+ 4.0
NP	60,506,168	68,513,083	−11.7	110,111,239	112,923,760	38,347,160	41,405,363	71,764,079	71,518,397	+ 0.3
PRR	64,371,951	84,099,750	−23.5	190,837,170	207,554,084	123,835,533	132,121,278	67,001,637	75,432,806	−11.2
P&LE	7,349,728	6,680,363	+10.0	13,207,911	11,954,374	9,236,569	6,300,002	3,971,342	5,654,372	−29.8
Reading	14,059,728	12,265,349	+14.6	28,369,963	27,923,141	18,867,051	18,898,584	9,502,912	9,024,557	− 5.3
StLSF	11,016,460	14,010,281	−21.4	29,232,598	34,034,691	20,717,003	20,745,690	8,515,595	13,289,001	−35.9
StLSW	7,868,492	9,613,282	−18.2	13,947,097	15,812,154	10,924,497	12,088,984	3,022,600	3,723,170	−18.8
SAL	12,465,921	21,007,525	−40.7	39,089,186	44,336,796	22,447,692	23,431,712	16,641,494	20,905,084	−20.4
Southern	4,353,718	60,481,717	−28.0	70,649,412	90,255,404	46,313,043	52,902,222	24,336,369	37,353,182	−34.8
SP System	140,232,138	145,009,678	− 3.3	229,580,700	237,324,367	138,083,306	137,950,899	91,497,394	99,373,468	− 7.9
T&P	7,150,960	14,067,713	−49.2	18,311,917	25,150,962	9,104,387	9,074,592	9,207,530	16,076,370	−42.7
UP	117,686,441	97,980,216	+20.1	201,967,489	174,573,853	104,098,762	102,405,209	97,868,727	72,168,644	+35.6
Wabash	12,266,451	10,156,281	+20.8	24,959,795	23,687,582	16,903,602	18,543,360	8,056,193	5,144,222	+56.6

*Current liabilities exceeded current assets in one or both years.

RAILROAD COMMUNICATIONS INSTALLED IN 1960

Railroad	Radio: Mobile	Radio: Base	Radio: Walkie Talkies	Yard Communications: No. of Yard Loudspeaker or Intercom Systems	Yard Communications: Loudspeakers	Yard Communications: Telephones	Carrier Equipment Terminals & Repeaters: Voice	Carrier Equipment Terminals & Repeaters: Speech + Telegraph	Carrier Equipment Terminals & Repeaters: Telegraph
Alaska	14	2	1	1	..	3	3	..	8
A&S	5	..	..	1	1	..	..	..	..
AT&SF	528	25	213	6	69	..	21	4	12
ACL	22	1	22	..	..	..	59	28	..
B&O	12	4	16	3	369	..	..	14	22
B&M	6	2	..	..	..	..	..	..	..
CNR	485	57	549	4	129	21	552	..	472
CPR	129	16	44	4	29	..	123	..	454
CofG	11	2	2	..	..	..	..	..	..
CV	..	..	..	1	5	..	..	..	..
C&EI	..	2	..	..	..	..	..	..	..
C&O	..	..	..	1	2	..	..	..	..
C&NW	..	3	..	2	22	..	15	..	..
C&WI	5	1	6	..	..	..	..	..	..
CB&Q	16	15	9	1	2	..	19	..	6
CGW	2	1	2	..	..	..	1	..	..
CMStP&P	5	14	19	3	48	..	23	62	8
CNS&M	..	..	..	..	..	..	..	..	2
CRI&P	37	13	..	2	13	..	17	2	2
CSS&SB	1	..	..	..	..	..	..	..	..
D&H	28	27	23	..	..	..	..	..	..
DL&W	13	..	..	..	..	..	..	..	..
DT&I	10	4	..	1	..	6	2	..	..
DM&IR	21	..	..	5	33	34	16	..	..
EJ&E	11	1	1	1	..	18	..	..	..
Erie-Lackawanna	11	2	..	..	..	..	9	1	..
FEC	116	7	41	..	..	..	..	..	..
Ga&Fla	1	1	..	..	..	..	..	..	..
GN	91	40	7	3	43	..	17	4	64
GB&W	4	..	..	..	..	..	..	..	..
GM&O	..	3	9	..	..	..	..	..	..
IC	42	2	12	1	9	..	20	10	..
JCL	1	2	..	..	..	..	..	3	..
KCS	22	2	..	..	..	..	..	..	..
L&A	2	..	..	..	..	..	..	..	..
KCT	..	..	..	1	24	..	..	..	..
KO&G	5	7	..	..	..	..	..	12	..
K&IT	11	..	1	..	..	..	..	..	..
LS&I	3	..	..	..	..	..	..	..	..
LI	..	..	..	5	29	..	..	..	..
L&N	15	2	26	1	4	..	6	..	7
MKT	39	..	..	..	..	..	..	..	..
MP	30	3	3	1	15	..	5	..	2
Monongahela	..	..	..	..	..	..	3	..	..
NYC	170	30	214	7	180	28	46	13	..
P&LE	25	2	..	..	..	..	..	..	1
NYNH&H	..	1	2	..	..	..	..	..	..
N&W	..	38	96	2	30	1	27	2	..
NS	..	4	..	..	..	..	..	..	..
NP	25	21	8	..	..	..	16	2	2
ONL	..	..	..	..	..	..	29	..	8
PRR	3	2	5	4	28	..	22	2	7
QNS&L	..	..	..	..	..	..	5	2	8
Reading	3	1	10	..	..	..	..	..	..
RF&P	..	..	..	..	..	..	..	..	12
StL-SF	25	11	10	1	11	..	..	..	8
SAL	100	12	66	1	35	..	37	..	..
SOO	..	..	..	1	8	..	..	..	..
SOU	75	132	13	9	28	18	561	..	..
SP	400	41	68	6	122	..	35	10	3
SP&S	22	17	..	..	..	..	..	..	..
T&P	105	4	2	1	2	..	4	32	..
Union	31	4	6	..	..	..	..	..	..
UP	..	..	..	2	5	2	23	..	..
Wabash	..	..	..	1	4	..	..	..	..
WM	62	2	25	..	..	..	..	..	..
WP	3	..	3	..	..	..	3	..	..
Totals	2,803	583	1,534	83	1,299	131	1,719	203	1,108

RAILROAD SIGNALING INSTALLED IN 1960

Railroad	Highway Grade Crossings: Flashing light signals only	Highway Grade Crossings: Flashing light signals & gates	Centralized traffic control: Road Miles	Centralized traffic control: Switches	Centralized traffic control: Electric Locks	Centralized traffic control: Signals	Interlockings: No. of interlocking plants	Interlockings: Switches	Interlockings: Signals
Alaska	1	..	..	..	..	..	..	..	..
AT&SF	55	18	344	90	81	429	6	23	46
ACL	14	3	29	11	10	41	..	..	..
BAR	3	..	..	..	..	..	..	..	..
B&O	29	5	72	26	25	77	6	26	34
B&M	15	8	8	4	6	21	2	3	..
CNR	181	13	634	150	35	445	9	36	46
CPR	131	22	107	33	3	148	5	6	33
CofG	4	4	..	..	..	..	..	..	..
CV	4	..	..	..	..	..	..	..	..
C&O	15	9	70	66	58	178	1	10	12
C&EI	3	..	40	7	36	51	2	..	..
C&NW	45	9	13	4	2	18	2	24	46
C&WI-BRyC	1	2	..	..	..	..	..	..	..
CB&Q	14	12	82	28	40	133	3	2	22
CGW	8	2	..	..	..	..	..	..	..
CMStP&P	39	6	..	..	..	..	2	6	..
CNS&M	..	2	..	..	..	..	..	..	..
CRI&P	24	13	..	..	..	..	1	..	..
CSS&SB	..	2	..	..	..	..	..	..	..
CTA	..	1	..	..	..	..	..	..	..
Clinchfield	..	..	..	..	4	..	..	..	..
C&S	1	..	..	..	..	..	..	..	..
D&H	2	5	76	18	66	124	..	..	..
DL&W	2	1	8	1	7	9	2	2	15

RAILROAD SIGNALING INSTALLED IN 1960 *continued*

Railroad	Highway Grade Crossings: Flashing light signals only	Highway Grade Crossings: Flashing light signals & gates	Centralized traffic control: Road Miles	Centralized traffic control: Switches	Centralized traffic control: Electric Locks	Centralized traffic control: Signals	Interlockings: No. of interlocking plants	Interlockings: Switches	Interlockings: Signals
D&RGW	11								
DT&I	1								
DM&IR	1		18		2	26			
EJ&E	1	1	4			8			
Erie Lackawanna	7	6							
FEC	4	18							
Georgia	2								
WRyA-A&WP	4								
Ga&Fla	1	2							
GN	11	4	260	42	45	156	3	3	21
GB&W	1								
GM&O	10	6	7		4		1		
IC	17	17	23	4		24	1		8
JTCo							1	7	3
JCL	2	8							
KCS	11		46	10	18	61			
KCT							1	11	11
KO&G	4						1	2	
L&HR	1								
LI		8					2	14	22
L&N	10	5	35	8	24	42	7	8	56
MTA							3	4	10
MKT	6						1	3	6
MP	30	9					1		8
Monon	1								
NYC	53	41	167	186	30	385	7	20	32
PL&E			1			2			
NYC&StL	5	9					1		
NYCTA							8	48	126
NYNH&H	2	3							
N&W	2	1	173	37	66	150	2	9	15
NS	1								
NP	11	8	95	25	8	95	2	10	
ONL	1								
PRR	43	30	11	10	2	25	7	17	33
PRSL	1								
P&WV	1		2	1	1	4			
QC	4								
QNS&L				5		10			
Reading	2	8	26	3	14	12	2	6	
RF&P		1							
StL-SF	17	1	3	2		10	2		2
StLSW	3		4	3	4	18			
SAL	29	9	32	9	14	20	1		2
SOO	9		58	3	42	36			
SOU	26	7	54	20	47	88	1		
SP	99	24	331	92	45	512	7	19	56
TC	2								
TRRStL		3					1	4	9
T&P	9	2							
TH&B	4								
UP	21	9	81	19	73	135			
Wabash	12	3	4		1	4			
WM	1	1	8		1	8			
WP	10								
Totals	1,095	381	2,925	926	814	3,500	104	323	674

NEW SECURITIES ISSUED IN THE UNITED STATES, 1937-1960

(Amounts in thousands of dollars)

Year	Bonds	Stock	Railroad total	Total all Industries	Railroads as per cent of total
1937	344,257	......	344,257	2,309,524	14.9
1938	54,873	......	54,873	2,154,664	2.5
1939	185,474	233	185,707	2,164,007	8.6
1940	323,912	......	323,912	2,677,173	12.1
1941	366,313	......	366,313	2,666,887	13.7
1942	47,726	......	47,726	1,062,288	4.5
1943	161,179		161,179	1,169,682	13.8
1944	609,010	350	609,360	3,201,891	19.0
1945	1,453,517	504	1,454,021	6,010,985	24.2
1946	711,119		711,119	6,899,646	10.3
1947	285,680		285,680	6,576,824	4.3
1948	623,348		623,348	7,077,820	8.8
1949	459,982	......	459,982	6,051,550	7.6
1951	330,021	5,066	335,087	7,741,099	4.3
1950	554,100	......	554,100	6,361,043	8.7
1952	524,205	1,000	524,205	9,534,162	5.5
1953	302,397	......	302,397	8,897,996	3.4
1954	478,895	427	479,322	9,516,168	5.0
1955	541,854	5,923	547,777	10,240,155	5.3
1956	380,811	1,201	382,012	10,938,718	3.5
1957	343,647	......	343,647	12,883,533	2.7
1958	238,352	......	238,352	11,558,343	2.1
1959	173,913	......	173,913	9,748,069	1.8
1960*	197,015	......	197,015	8,329,129	2.4

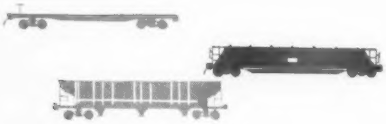
*10 months' total.
Compiled by Securities and Exchange Commission.

JOURNAL LUBRICATORS APPLIED TO REVENUE FREIGHT CARS

As of	Railroads: Cars Equipped in period	Railroads: Cumulative Total	Railroads: Total Ownership	Railroads: Per Cent Equipped	Private Car Owners: Cars Equipped in period	Private Car Owners: Cumulative Total	Private Car Owners: Total Ownership	Private Car Owners: Per Cent Equipped	Both Railroads and Private Owners: Cars Equipped in period	Both Railroads and Private Owners: Cumulative Total	Both Railroads and Private Owners: Total Ownership	Both Railroads and Private Owners: Per Cent Equipped
12-31-54	4,363	4,363	1,745,682	0.2								
12-31-55	17,773	22,136	1,745,682	1.2								
12-31-56	68,446	90,582	1,760,070	5.1								
6-30-57	82,503	173,085	1,760,070	9.8								
12-31-57	124,575	297,660	1,760,070	16.9	15,067	15,067	271,133	5.5	139,642	312,727	2,031,203	15.3
6-30-58	122,862	420,522	1,760,070	23.8	9,560	24,627	271,133	9.0	132,422	445,149	2,031,203	21.9
12-31-58	131,516	552,038	1,798,465	30.6	17,251	41,878	276,754	15.1	148,767	593,916	2,075,219	28.6
6-30-59	173,220	725,258	1,798,465	40.3	35,501	77,379	276,754	27.9	208,721	802,637	2,075,219	38.6
12-21-59	161,762	887,030	1,776,174	49.9	33,710	111,089	275,406	40.3	195,472	998,107	2,051,580	48.6
6-30-60	170,801	1,057,821	1,858,746	56.9	32,598	143,687	275,406	52.1	203,399	1,201,508	2,134,152	56.2

Source: AAR Mechanical Division

(*Continued on page 82*)



STATISTICAL REVIEW OF 1960 *(Continued from page 80)*

LOCOMOTIVE OWNERSHIP

	Oct. 1, 1959	Oct. 1, 1960
DIESEL ELECTRIC UNITS		
Passenger	2,016	2,009
Freight	8,354	8,351
Multi-purpose	10,085	10,429
Switch	7,677	7,641
Total	28,132	28,430
GAS-TURBINE ELECTRIC UNITS		
Freight	33	44
ELECTRIC UNITS		
Passenger	201	194
Freight	299	264
Multi purpose	10	10
Switch	31	30
Total	541	498
STEAM LOCOMOTIVES		
Passenger	119	38
Freight	548	208
Passenger or freight	87	30
Switch	121	38
Total	875	314
	Oct. 1, 1959	Oct. 1, 1960

MOTIVE POWER STATISTICS

	9 Months Ended with September	
FREIGHT SERVICE	1959	1960
Road locomotive miles (000) (M 211):		
Total, steam	1,113	157
Total, diesel electric	317,151	311,835
Total, electric	4,727	4,235
Total locomotive-miles	326,002	319,209
Train miles (000):		
Steam locomotive	912	126
Diesel locomotive	303,427	298,995
Electric locomotive	4,254	3,780
Other locomotive	2,924	2,915
Motor car	112	93
Total	311,518	305,816
PASSENGER SERVICE		
Road motive-power miles (000) (M 213):		
Steam	82	38
Diesel electric	145,858	135,515
Electric	7,557	6,897
Total	153,498	142,450
YARD SERVICE		
Freight yard switching locomotive hours (000) (M 215):		
Steam, coal burning	111	7
Diesel-electric*	30,609	30,701
Total	30,745	30,720

*Excludes B and trailing A units.

NEW DIESEL-ELECTRIC UNITS INSTALLED BY DISTRICT & YEAR*

	Eastern	Allegheny	Pocahontas	Southern	Northwest	Central West	Southwest	Total
1946	92	35	0	182	61	126	25	521
1947	200	87	2	137	152	124	114	816
1948	328	432	18	127	131	270	125	1,431
1949	409	388	85	194	237	318	177	1,808
1950	540	465	86	528	216	323	214	2,372
1951	524	405	116	545	251	366	330	2,537
1952	624	417	144	351	185	469	205	2,395
1953	451	307	87	227	246	626	151	2,095
1954	91	47	44	122	314	386	108	1,112
1955	129	179	123	161	159	339	82	1,172
1956	236	210	284	174	188	333	22	1,447
1957	240	326	169	97	177	271	32	1,312
1958	57	79	78	82	129	8	1	434
1959	53	64	204	39	109	327	46	842
1960†	45	0	16	67	52	131	15	326
Grand Totals	4,019	3,441	1,456	3,033	2,607	4,417	1,647	20,620

* Installations of new locomotives only. Table does not include units installed as "rebuilt" or "otherwise acquired." Total units, including these two classification, are 28,430 as of Oct. 1, 1960.
† To Oct Oct. 1, 1960.
Source: AAR Car Serivce Division Locomotive Ownership Reports.

EQUIPMENT ORDERS Reported in 1960

*Freight-Train Cars Ordered for Domestic Use—by Type**

	Box	Flat	Gondola	Hopper	Tank	Refrigerator	Caboose	Other	Total
1960	8,355	4,818	3 810	11,414	3,171	2,972	67	559	35,166
1959	17,710	4,199	6,331	21,191	2,038	4,538	216	266	56,489

*Freight-Train Cars Delivered for Domestic Use—by Type**

	Box	Flat	Gondola	Hopper	Tank	Refrigerator	Caboose	Other	Total
1960	13,961	6,652	7,050	21,194	2,924	4,338	250	483	56,852
1959	12,254	3,068	1,544	16,358	2,035	2,261	99	190	37,819

*Passenger-Train Cars Ordered for Domestic Use—by Type**

	Coach	Coach Comb.	Sleepi g	Dining	Club	Self-Propelled	Baggage Express	MU	Postal & Combination	Other	Total
1960	176	00	00	00	00	00	85	00	00	3	264
1959	36	00	12	00	00	00	145	00	00	00	193

*Passenger-Train Cars Delivered for Domestic Use—by Type**

	Coach	Coach Comb.	Sleeping	Dining	Club	Self-Propelled	Baggage Express	MU	Postal & Combination	Other	Total
1960	73	00	00	00	00	00	155	00	6	3	237
1959	33	00	12	10	00	00	25	00	00	00	80

*All 1960 figures subject to revision.

1960 FREIGHT-TRAIN CAR ORDERS

Purchaser	No.	Type	Capacity	Length Ft.	Length In.	Weight	Date Ordered	Date Delivery	Builder
Aliquippa & Southern	20	Gondola	200,000	34	0	74,345	Aug. '60	June '61	Company Shops
American Refrigerator Transit	20	Refrigerator ⑤	100,000	40	6	64,000	March '60	Oct. '60	Pacific Car & Foundry
Atchison, Topeka & Santa Fe	100	Box	140,000	50	1	73,200	Jan. '60	June '60	Pullman-Standard
	500	Refrigerator	140,000	50	0	....	Jan. '60	1st half '61	GATC
	150	Hopper	140,000	40	8	45,400	March '60	Aug. '60	Greenville Steel Car
	300	Gondola	140,000	53	6	63,250	March '60	1st quart. '61	Magor
	200	Box	140,000	50	6	....	March '60	March '61	Company Shops
	300	Box	140,000	50	6	....	March '60	May '61	Company Shops
	200	Box	140,000	50	6	....	March '60	July '61	Company Shops
	150	Flat	100,000	53	6	....	March '60	Dec. '60	Company Shops
Atlanta & West Point	20	Box	100,000	50	6	54,815	Sept. '60	Nov. '60	Pullman-Standard
	10	Box	100,000	50	6	60,840	Sept. '60	Nov. '60	Pullman-Standard
Atlantic Coast Line	300	Gondola	140,000	52	6	56,500	April '60	Aug. '60	ACF
	200	Wood Chip Hopper	140,000	50	9¾	71,500	April '60	Sept. '60	Greenville Steel Car
	50	Cov. Hopper	180,000	41	¾	70,200	June '60	Sept. '60	Pullman-Standard
	200	Phosphate Hopper	140,000	38	7½	56,700	March '60	Oct. '60	ACF
	200	Coal Hopper	140,000	42	10	53,400	April '60	Sept. '60	Pullman-Standard
	100	Box	100,000	50	6	59,600	March '60	Sept. '60	ACF
Baltimore & Ohio	20	Flat	180,000	53	6	62,000	Sept. '60	Jan. '61	Thrall Car
	12	Caboose	....	23	6	54,100	Jan. '60	Jan. '61	Company Shops
Bessemer & Lake Erie	45	Cov. Hopper	140,000	29	6	56,500	Sept. '60	Dec. '60	GATC
	5	Caboose	80,000	30	0	52,000	April '60	Dec. '60	Morrison International
Bethlehem Steel	15	Slab	140,000	36	0	58,900	April '60	Sept. '60	Company Shops
Boston & Maine	20	Caboose ①	....	31	9¾	42,100	Feb. '60	Oct. '60	Morrison-International
Burlington Refrigerator Express	275	Refrigerator	140,000	50	0	91,000	Dec. '60	2nd half '61	CB&Q Company Shops
Carbon County	1	Caboose	....	36	10⅜	....	May '60	Nov. '60	Thrall Car
Central of Georgia	60	Cov. Hopper ①	180,000	41	1	69,000	May '60	June '60	Pullman-Standard
	40	Cov. Hopper ①	140,000	29	3	51,000	May '60	June '60	Pullman-Standard
Chesapeake & Ohio	5	Flat ①	180,000	53	6	62,000	Oct. '60	Jan. '61	Thrall Car
	124	Refrigerator	130,000	50	0	76,400	April '60	Dec. '60	Company Shops
	26	Refrigerator	130,000	50	0	76,400	April '60	Jan. '61	Company Shops
	200	Box	135,000	50	6	75,000	April '60	Feb. '61	Company Shops
Chicago & Eastern Illinois	25	Cov. Hopper	140,000	29	6	56,700	April '60	Aug '60	GATC
	36	Box ①	100,000	50	6	67,700	April '60	Sept. '60	Pullman-Standard
Chicago Freight Car	100	Box ①	100,000	50	6	68,700	July '60	Nov. '60	Pullman-Standard
	2	Cov. Hopper	140,000	41	¾	63,250	May '60	May '60	ACF
	1	Cov. Hopper	140,000	41	¾	63,250	June '60	June '60	ACF
Chicago, Burlington & Quincy	10	Cov. Hopper	140,000	41	¾	63,250	June '60	July '60	ACF
	50	Cov. Hopper	140,000	29	6	57,400	March '60	Aug. '60	GATC
	100	Box	100,000	40	6	57,000	March'60	Oct. '60	Company Shops
	50	Bulkhead Flat	100,000	53	6	48,000	Aug. '60	Dec. '60	Company Shops
	100	Cov. Hopper	140,000	40	9	67,200	May '60	Nov. '60	GATC
	50	Cov. Hopper	140,000	29	6	57,400	Oct. '60	May '61	GATC
	250	Box	140,000	50	0	78,000	Oct. '60	Nov. '61	Company Shops
	350	Cov. Hopper	140,000	29	3	51,000	Oct. '60	June '61	Company Shops
	50	Bulkhead Flat	100,000	53	6	48,000	Oct. '60	March '61	Company Shops
	50	Box	100,000	40	6	57,000	Oct. '60	Aug. '61	Comapny Shops
	50	Flat	100,000	60	0	58,000	Oct. '60	Jun. '61	Company Shops
Chicago Great Western	300	Box	100,000	40	6	57,000	Oct. '60	Dec. '61	Company Shops
Chicago, Milwaukee, St. Paul & Pacific	3	Cov. Hopper	140,000	39	6	....	March '60	Aug. '60	GATC
	100	Cov. Hopper	140,000	41	¾	64,000	Jan. '60	April '60	ACF
	500	Box	140,000	50	6	....	Jan. '60	Nov. '60	GATC
	50	Box	140,000	50	6	....	Jan. '60	Nov. '60	GATC
	100	Flat	140,000	60	0	....	Feb. '60	July '60	U. S. Rwy. Equipment Co.
	650	Box	100,000	40	6	50,500	Dec. '60	April '61	Pullman-Standard
Chicago, Rock Island & Pacific	100	Box	100,000	50	6	56,500	Dec. '60	May '61	Pullman-Standard
	150	Box	100,000	40	6	47,800	June '60	Dec. '60	ACF
	150	Box	100,000	40	6	52,000	June '60	Dec. '60	ACF
	100	Box	100,000	50	6	53,700	June '60	Dec. '60	ACF
	100	Box	100,000	50	6	56,600	June '60	Dec. '60	ACF
	8	Box	100,000	50	6	57,300	June '60	Sept. '60	ACF
Clinchfield	42	Box	100,000	50	6	71,000	June '60	Sept. '60	ACF
Colorado & Southern	25	Box ③	100,000	50	6	51,500	March '60	June '60	Pullman-Standard
	25	Box ①	140,000	50	0	....	Dec. '60	Nov. '61	CB&Q Company Shops
	10	Cov. Hopper	140,000	52	6	....	Dec. '60	1961	GATC
	150	Hopper	140,000	52	6	....	Dec. '60	Aug. '61	CB&Q Company Shops
	100	Gondola	140,000	52	6	....	Dec. '60	July '61	CB&Q Company Shops
Cuyuna Realty Co.	25	Gondola	140,000	65	6	66,600	Feb. '60	Oct. '60	Ortner Co.
Denver & Rio Grande Western	200	Triple Hopper	140,000	41	¾	55,000	March '60	Oct. '60	Bethlehem Steel
	20	Double Hopper	140,000	29	3	50,900	March '60	June '60	Greenville Steel Car
	50	Flat	100,000	53	6	55,000	March '60	Dec. '60	Bethlehem Steel
Detroit, Toledo & Ironton	10	Cov. Hopper	70,000	42	6	56,300	July '60	Sept. '60	GATC
	120	Hopper ①	140,000	40	7	51,300	Feb. '60	June '60	Greenville Steel Car
E.I. DuPont de Nemours	100	Box ①	100,000	50	6	69,000	Sept. '60	Dec. '60	Pullman-Standar d
Erie-Lackawanna	100	Cov. Hoppers	140,000	40	9	....	Apr. '60	Jan. '61	GATC
Fruit Growers' Express	100	Flat	140,000	85	0	68,850	Nov. '60	Dec. '60	Bethlehem Steel
	125	Refrigerator	100,000	40	0	61,700	Aug. '60	Dec. '60	Company Shops
	65	Refrigerator	100,000	40	0	68,700	Aug. '60	Dec. '60	Company Shops
	60	Refrigerator	140,000	50	0	77,800	Aug. '60	Dec. '60	Company Shops
	21	Refrigerator	140,000	40	0	81,100	Aug. '60	Jan. '61	Company Shops
Georgia & Florida	100	Refrigerator	140,000	50	0	91,000	Nov. '60	April '61	Company Shops
Grand Trunk Western	1	Box	100,000	50	6	54,000	March '60	May '60	Pullman-Standard
Great Northern	75	Flat	140,000	56	1	55,000	July '60	Dec. '60	Ortner Co.
	250	Box	100,000	50	6	61,800	Jan. '60	Aug. '60	ACF
	25	Gondola	140,000	65	6	66,800	Jan. '60	Oct. '60	Ortner Co.
	20	Cov. Hopper	140,000	29	6	55,000	April '60	Aug. '60	GATC
	20	Bulkhead Flat	100,000	53	6	60,800	July '60	Dec. '60	Company Shops
	10	Caboose	80,000	40	0	55,000	Jan. '60	Sept. '60	Morrison-International
Illinois Central	500	Box	100,000	50	6	54,900	Jan. '60	Aug. '60	Company Shops
	100	Bulkhead Flat ⑥	100,000	53	6	55,100	Feb. 60'	May '60	Company Shops
	200	Gondola	140,000	52	6	60,900	Feb. '60	Sept. '60	Bethlehem Steel
	25	Cov. Hopper	140,000	42	6	57,300	Feb. '60	July '60	GATC
	12	Cov. Hopper	140,000	42	6	57,300	April '60	July '60	GATC
	500	Hopper	140,000	40	8	52,500	April '60	Nov. '60	Company Shops
	500	Hopper	140,000	40	8	52,500	Oct. '60	Feb. '61	Company Shops
Long Island	750	Box	100,000	50	6	57,000	Nov. '60	April '61	Company Shops
	6	Caboose.	....	22	0	41.200	Feb. '60	Jan. '61	Morrison-International
Louisiana & Arkansas	5	Box	100,000	40	0	....	Feb. '60	Sept. '60	Pullman-Standard
Louisville & Nashville	40	Box	100,000	50	6	54,600	Sept. '60	Jan. '61	ACF
	10	Box	100,000	50	6	54,600	Sept. '60	Jan. '61	ACF
	50	Box	100,000	50	6	58,100	Sept. '60	Jan. '61	ACF

(*Continued on page 86*)

From **CARDWELL WESTINGHOUSE**
First Draft Gear to Meet
A.A.R. Specification M-901E-59!

RESER

A.A.R. Specification M-901E-59 for High Capacity Standard 24⅝-inch pocket Gears requires a Minimum Capacity of 36,000 foot-pounds at a 500,000 pound Reaction Force Level. The Mark 50 Gear has 2¾-inch Travel.

A. A. R. CERTIFICATE NO. 41

WESTINGHOUSE

MAR

MARK 50 joins a distinguished group of previously introduced Westinghouse-Type draft gears:

MARK 80

First gear to meet A.A.R. Specification M-901C-56. For 36-inch pockets. The amazing damage-claim-reducing gear with OVER FOUR TIMES the capacity required by A.A.R. in draft gears for standard pockets. A.A.R. Certificate No. 37.

MARK 40

High Capacity Draft Gear for standard 24⅝-inch pocket. Certified under A.A.R. Specification M-901. A.A.R. Certificate No. 35.

NY-11-F

For standard 24⅝-inch pockets. Certified under A.A.R. Specification M-901. A.A.R. Certificate No. 3.

VE CAPACITY

to protect valuable lading; reduce costly damage claims!

Mark 50 (at rating travel–500,000 pound reaction force level) has an official A.A.R. capacity of 38,940 foot-pounds. Its average capacity at maximum travel* after sturdiness test, is 51,760 foot-pounds...which provides additional reserve capacity to cushion lading and car against high-energy impacts!

*800,000 pound reaction force level.

K 50 FRICTION DRAFT GEAR

CARDWELL WESTINGHOUSE COMPANY

332 S. Michigan Ave., Chicago 4, Illinois

Canadian Cardwell Co., Ltd., Montreal 2, Quebec

1960 FREIGHT-TRAIN CAR ORDERS *continued*

Purchaser	No.	Type	Capacity	Length Ft.	Length In.	Weight	Date Ordered	Date Delivery	Builde
L & N (Continued)	100	Box	100,000	50	6	58,100	Sept. '60	Dec. '60	ACF
	100	Box	100,000	50	6	54,600	Sept. '60	Nov. '60	ACF
	100	Box	100,000	40	6	45,700	Sept. '60	Nov. '60	ACF
	1,450	Hopper	140,000	42	10	52,500	Feb. '60	1st half '61	Pullman-Standard
	900	Gondola	140,000	52	6	61,000	Feb. '60	1st half '61	Pullman-Standard
	100	Hopper	200,000	49	6	55,000	Nov. '60	....	Pullman-Standard
	100	Cov. Hopper	140,000	41	¾	64,700	Nov.'60	Early '61	Pullman-Standard
Maine Central	3	Caboose	80,000	30	0	51,000	June '60	Jan. '61	Morrison-International
Minneapolis, St. Paul & Sault Ste. Marie	10	Flat	140,000	85	0	67,500	March '60	June '60	Pullman-Standard
	5	Flat	140,000	85	0	68,700	Aug. '60	Aug. '60	Pullman-Standard
Missouri Pacific	100	Cov. Hopper	140,000	29	3	52,700	Feb. '60	July '60	Company Shops
	50	Cov. Gondola	140,000	52	5	....	Feb. '60	June '60	Company Shops
	600	Box	100,000	50	6	53,600	Feb. '60	Aug.-Dec. '60	Company Shops
	50	Box	100,000	50	6	72,600	Feb. '60	Aug. '60	Company Shops
	50	Box	100,000	50	6	70,000	Feb. '60	June '60	Company Shops
	50	Box	140,000	50	6	....	Feb. '60	Dec. '60	Company Shops
Monon	1	Transfer Caboose	....	20	0	43,000	Aug. '60	Dec. '60	Company Shops
	5	Cov. Hopper	140,000	41	0	62,740	Jan. '60	April '60	Pullman-Standard
New York Central	75	Cov. Hopper	140,000	41	¾	64,000	Feb. '60	June '60	Pullman-Standard
	25	Cov. Hopper	140,000	41	¾	64,000	Feb. '60	June '60	Pullman-Standard
	53	Twin Flexi-Van Flat	100,000	84	6	62,400	April '60	July '60	Greenville Steel Car
	100	Box	100,000	50	6	76,100	April '60	Oct. '60	Company Shops
	200	Box	100,000	50	6	66,600	April '60	Jan. '61	Company Shops
	25	Twin Flex-Van Flat	100,000	84	6	62,400	Nov. '60	Dec. '60	Greenville Steel Car
	25	Twin Flexi-Van Flat	100,000	85	6	In Design	Nov. '60	Feb. '61	Greenville Steel Car
	6	Depressed Center Flat (7)	247,000	57	9	127,000	May '60	Jan. '61	Company Shops
	1	Depressed Center Flat (7)	233,000	66	11	165,000	May '60	Feb. '61	Company Shops
	1	Depressed Center Flat (7)	400,000	72	6	200,000	May '60	Feb. '61	Company Shops
	1	Well Car (5)	191,000	46	5	59,600	May '60	Feb. '61	Company Shops
Norfolk & Western	100	Gondola	140,000	52	6	64,000	Jan. '60	Mid '60	Ortner Co.
	50	Cov. Hopper	140,000	29	3	50,840	Jan. '60	Jan. '60	Greenville Steel Car
	50	Cov. Hopper	140,000	41	0	63,250	Jan. '60	April '60	ACF
	430	Hopper	140,000	40	0	54,200	Jan. '60	Nov. '60	Company Shops
	70	Cov. Hopper	140,000	40	0	63,250	Oct. '60	Jan. '61	Company Shops
	1,000	Hopper	170,000	45	0	61,100	Feb. '60	1960-61	Company Shops
	500	Box	100,000	50	6	57,900	April '60	Late-'60	Pullman-Standard
	15	Gondola	140,000	53	3	82,700	April '60	Nov. '60	Ortner Co.
	10	Flat	100,000	48	6	65,300	June '60	Oct' '60	Ortner Co.
	10	Cov. Hopper	140,000	29	6	57,700	Nov. '60	March '61	GATC
North American Car	100	Refrigerator (3)	140,000	49	11¼	75,000	Sept. '60	Feb. '61	Pacific Car & Foundry
	150,	Refrigerator	100,000	33	2¾	65,000	Aug. '60	1st half '61	Company Shops
	100	Refrigerator (3)	100,000	40	0	57,600	Jan. '60	Oct. '60	Pacific Car & Foundry
	5	Cov. Hopper	140,000	..	..	61,500	April '60	April '60	ACF
	1	Cov. Hopper	140,000	..	..	61,500	June '60	July '60	ACF
	1	Cov. Hopper	140,000	..	..	61,500	Aug. '60	Aug. '60	ACF
	35	Cov. Hopper	100,000	..	..	....	Sept. '60	Jan. '61	Thrall Car
	50	Cov. Hopper	180,000	..	..	....	Aug. '60	Jan. '61	Pullman-Standard
	18	Hopper	140,000	..	..	....	Oct. '60	Jan. '61	ACF
	20	Hopper	200,000	..	..	....	Nov. '60	Jan. '61	ACF
	10	Flat	140,000	85	0	65,500	June '60	Jan. '61	GATC
	50	Flat	140,000	85	0	93,500	Aug. '60	Aug. '60	ACF
	66	Flat	140,000	87	4	93,500	Aug. '60	Nov. '60	Pullman-Standard
	7	Flat	140,000	85	0	93,500	Sept. '60	Sept. '60	Pullman-Standard
	10	Flat	140,000	53	6	....	Sept. '60	Jan. '61	Thrall Car
	7	Flat	140,000	87	4	93,500	Oct. '60	Jan. '61	Pullman-Standard
	35	Flat	140,000	85	0	103,800	Oct. '60	Jan. '61	ACF
	29	Flat	140,000	85	0	103,800	Oct. '60	Feb. '61	ACF
	21	Flat	140,000	85	0	93,500	Oct. '60	Feb. '61	ACF
	6	Flat	140,000	85	0	103,800	Oct. '60	Feb. '61	ACF
	4	Flat	140,000	85	0	93,500	Oct. '60	Feb. '61	ACF
	1	Tank	100,000	..	..	42,000	Jan. '60	Feb. '60	Company Shops
	1	Tank	100,000	..	..	46,800	Jan. '60	March '60	Company Shops
	6	Tank	100,000	..	..	50,000	Jan. '60	July '60	Company Shops
	27	Tank	100,000	..	..	53,000	Jan.-Aug. '60	Oct. '60	Company Shops
	75	Tank	100,000	..	..	60,200	Jan.-Sept. '60	Oct. '60	Company Shops
	10	Tank	100,000	..	..	66,700	July '60	Sept. '60	Company Shops
	1	Tank	140,000	..	..	....	Oct. 60	Feb. '61	Company Shops
	115	Tank	180,000	..	..	71,300	1960	1960	Company Shops
	28	Tank	180,000	..	..	71,300	2nd Half '60	Feb. '61	Company Shops
Northern Pacific	200	Refrigerator	136,000	50	0	73,400	Nov. '60	Aug. '61	Company Shops
	150	Box	100,000	50	6	57,000	Nov. '60	Oct. '61	Company Shops
	200	Box	100,000	40	7	55,200	Nov. '60	Nov. '61	Company Shops
	5	Cov. Hopper	140,000	40	9	67,200	Oct. '60	Dec. '61	GATC
Pennsylvania	2,500	Hopper	140,000	39	10	....	Nov. '60	Aug. '61	Company Shops
	1,000	Ore Gondola	140,000	22	0	....	Nov. '60	May '61	Company Shops
Pittsburgh & Lake Erie	500	Hopper	140,000	40	7¾	53,000	May '60	Jan. '61	Greenville Steel Car
	50	Box	140,000	50	6	76,000	May '60	Jan. '61	Company Shops
	10	Caboose	80,000	30	0	46,200	June '60	Last Half '60	Morrison-International
	550	Hopper	140,000	40	7¾	53,000	July '60	Feb. '61	Company Shops
Rail Trailer	26	Flat	140,000	85	0	66,000	Jan. '60	April '60	ACF
Richmond, Fredericksburg & Potomac	25	Box	100,000	50	6	60,236	May '60	Nov. '60	Pullman-Standard
Sacramento Northern	10	Cov. Hopper	140,000	41	0	62,200	Feb. '60	March '60	ACF
St. Louis-San Francisco	131	Flat	60,000	83	0	100,000	Feb. '60	Oct. '60	Pullman Standard
St. Louis Southwestern	50	Flat	140,000	85	0	....	June '60	Sept. '60	GATC
	25	Flat	140,000	85	0	....	Aug. '60	Oct. '60	GATC
	100	Refrigerator (3)	140,000	50	0	....	Sept. '60	April '61	Pacific Car & Foundry
	100	Refrigerator (3)	140,000	50	0	....	Nov. '60	April '61	Pacific Car & Foundry
San Manuel Copper Corp.	4	Hopper	200,000	27	5	62,900	April '60	Dec. '60	Bald.-Lima-Ham.
Savannah & Atlanta	8	Flat	100,000	53	6	66,300	Jan. '60	May '60	Ortner Co.
Seaboard Air Line	200	Cov. Hopper	140,000	29	3	51,500	Jan. '60	June' 60	Pullman-Standard
	500	Triple Hopper	140,000	40	8	51,200	Jan. '60	July '60	ACF
	100	Cov. Hopper	180,000	41	¾	61,800	Jan. '60	July '60	Magor
	10	Cov. Hopper	140,000	29	6	57,600	Jan. '60	July '60	GATC
	25	Flat	180,000	53	6	62,000	Sept. '60	Jan. '61	Thrall Car
Shippers' Car Line	6	Boxed-in Tank	140,000	40	1⅝	52,500	Jan. '60	July '60	ACF
	12	Cov. Hopper	140,000	41	¾	64,000	April '60	April '60	ACF
	11	Cov. Hopper	140,000	29	3	34,800	May '60	Aug. '60	ACF
	30	Cov. Hopper	140,000	29	3	34,800	July '60	Dec. '60	ACF
	4	Cov. Hopper	140,000	50	1	63,250	Sept. '60	Oct. '60	ACF
	80	Cov. Hopper	100,000	40	¾	66,600	Sept. '60	Nov. '60	ACF
	10	Flat	140,000	85	0	66,000	Sept. '60	Jan. '61	ACF
	8	Cov. Hopper	140,000	41	¾	64,000	Oct. '60	Oct. '60	ACF
	2	Cov. Hopper	140,000	40	¾	66,600	Oct. '60	Nov. '60	ACF
	326	Tank	....	..	..	....	1960	1960	ACF

1960 FREIGHT-TRAIN CAR ORDERS *continued*

Purchaser	No.	Type	Capacity	Length Ft.	Length In.	Weight	Date Ordered	Date Delivery	Builder
S. H. P. X. III	72	Cov. Hopper	140,000	41	¾	64,000	Feb.-March '60	April '60	ACF
	100	Cov. Hopper	140,000	29	3	34,800	May '60	Aug. '60	ACF
	50	Cov. Hopper	100,000	40	¾	66,600	Sept. '60	Dec. '60	ACF
	8	Cov. Hopper	140,000	41	¾	64,000	Oct. '60	Dec. 60	ACF
	225	Tank	....	..	..	....	1960	1960-'61	ACF
Southern	200	Box	140,000	50	6	74,650	March '60	Nov. '60	Pullman-Standard
	35	Box	100,000	50	6	69,700	July '60	Nov. '60	Pullman-Standard
	15	Box	100,000	50	6	66,600	July '60	Nov. '60	Pullman-Standard
	20	Cov. Hopper	180,000	46	¼	65,000	Feb. '60	July '60	Magor
Southern Pacific	100	Hopper ④	190,000	37	9½	55,000	Feb. '60	Mid-'60	ACF
	400	Gondola ①	140,000	60	5⅝	73,500	March '60	Nov. '60	Magor
	600	Refrigerator ③	140,000	50	0	....	April '60	1st quart. '61	Pacific Car & Foundry
	500	Box ③	100,000	50	0	....	April '60	2nd quart. '61	Pacific Car & Foundry
	100	Flat	140,000	85	0	....	April '60	June '60	GATC
	100	Flat	140,000	85	0	....	May '60	Sept '60	GATC
	50	Flat	140,000	85	0	66,000	Aug. '60	Aug. '60	ACF
	50	Flat	140,000	85	0	....	Aug. '60	Oct. '60	GATC
	15	Cov. Hopper	140,000	39	6	....	Oct '60	Feb. '61	GATC
	1	Flat	140,000	85	0	66,000	Nov. '60	Nov. '60	ACF
Strick Trailer	25	Twin Flexi-Van Flat	100,000	84	6	62,800	Sept. '60	Dec. '60	Greenville Steel Car
Texas & New Orleans	10	Cov. Hopper	140,000	40	9	....	Oct. '60	Dec. '60	GATC
Texas Mexican	25	Gondola	140,000	52	6	49,000	June '60	Nov. '60	Pullman-Standard
Trailer Train	400	Flat	140,000	85	0	69,000	Jan. '60	April '60	ACF
	100	Flat	140,000	85	0	70,200	Jan. '60	May '60	Pullman-Standard
	74	Flat	140,000	85	0	68,700	April '60	April '60	ACF
	176	Flat	140,000	85	0	68,700	April '60	May '60	ACF
	100	Flat	140,000	85	0	65,400	April '60	July '60	Bethlehem Steel
	150	Flat	140,000	85	0	64,600	April'60	Aug. '60	Pullman-Standard
	403	Flat	140,000	85	0	66,800	Sept. '60	Oct. '60	ACF
	97	Flat	140,000	85	0	64,200	Sept. '60	Sept. '60	Pullman-Standard
	150	Flat	140,000	85	0	69,800	Sept. '60	Oct. '60	Pullman-Standard
	150	Flat	140,000	85	0	65,000	Sept. '60	Nov. '60	Bethlehem Steel
	140	Flat	140,000	77	4	46,800	Oct. '60	Dec. '60	Pullman-Standard
	60	Flat	140,000	87	4	53,000	Oct. '60	Dec. '60	Pullman-Standard
	175	Flat	140,000	85	0	68,000	Nov. '60	Dec. '60	ACF
	4	Flat	140,000	87	4	46,800	Nov. '60	Dec. '60	Pullman-Standard
	15	Flat	140,000	87	4	46,800	Nov. '60	Dec. '60	Pullman-Standard
	156	Flat	140,000	85	0	64,200	Nov. '60	Jan. '61	Pullman-Standard
	125	Flat	140,000	85	0	65,000	Nov. '60	Dec. '60	Bethlehem Steel
Transport Leasing Co.	1	Cov. Hopper	140,000	41	1	62,600	Jan. '60	Feb. '60	Pullman-Standard
U. S. Government	25	Helium	200,000	41	¼	236,500	Feb. '60	Nov. '60	ACF
U. S. Trans. Corp	16	Flat	100,000	53	6	55,000	April '60	Dec. '60	Thrall Car
Union Pacific	200	Gondola	140,000	..	..	....	Feb. '60	Aug. '60	Pullman-Standard
	200	Gondola	140,000	..	..	....	March '60	Jan. '61	Gunderson
	150	Cov. Hopper	140,000	..	..	....	Feb. '60	July '60	Pullman Standard
	50	Cov. Hopper	140,000	..	..	....	Sept. '60	Jan. '61	GATC
	50	Box	100,000	..	..	....	March '60	Aug. '60	GATC
	200	Box	140,000	..	..	....	March '60	Nov. '60	Company Shops
	300	Box	100,000	..	..	....	March '60	Sept. '60	Company Shops
	300	Flat	140,000	..	..	....	March '60	Dec. '60	Company Shops
Union Tank Car	584	Tank	....	..	..	....	1960	1960-'61	Company Shops
Various Industrial	132	Tank	....	..	..	....	1960	1960	ACF
	22	Cov. Hopper	140,000	40	9	....	Oct. '60	Nov. '60	GATC
	25	Cov. Hopper	100,000	45	11	54,500	March '60	1960	Thrall Car
	1	Coke Quench	100,000	46	0	80,000	March '60	July '60	Thrall Car
	30	Gondola	140,000	40	0	56,000	Nov. '60	Feb. '61	Thrall Car
	5	Gondola	180,000	33	0	69,000	Sept. '60	March '61	Thrall Car
	40	Hopper	140,000	33	0	48,000	Dec. '60	Feb. '61	Thrall Car
	244	Tank	....	..	..	....	1960	1960-61	GATC
	15	Crop Car	200,000	40	0	....	Dec. '60	Dec. '60	U. S. Rwy. Equipment Co.
	8	Flat	200,000	38	0	....	Dec. '60	Dec. '60	U. S. Rwy. Equipment Co.
	30	Slab	200,000	42	0	....	Dec. '60	Dec. '60	U. S. Rwy. Equipment Co.
Wabash	550	Box ①	100,000	40	6	....	Jan. '60	June '60	ACF
Western Fruit Express	200	Refrigerator	140,000	50	0	84,400	April '60	Aug. '60	Pacific Car & Foundry
	100	Refrigerator	140,000	50	0	91,000	Nov. '60	March '61	Company Shops
Western Maryland	2	Cov. Hopper	140,000	29	6	58,400	May '60	Aug. '60	GATC
	10	Flat	140,000	85	0	60,000	March '60	Dec. '60	GATC
	20	Pulpwood	100,000	45	0	55,500	Nov. '60	Jan. '61	Greenville Steel Car
Western Pacific	10	Hopper	140,000	41	¾	62,000	Feb. '60	March '60	ACF
	200	Box ③	140,000	50	6	67,000	Feb. '60	Dec. '60	Pacific Car & Foundry
	50	Flat	140,000	56	0	59,000	March '60	Dec. '60	Thrall Car
	4	Hopper	140,000	38	6	57,000	March '60	Aug. '60	GATC
	25	Box	100,000	50	6	67,000	May '60	Oct. '60	Pullman-Standard
	2	Box	100,000	40	6	48,000	July '60	Nov. '60	ACF
Western Railway of Alabama	10	Box	100,000	50	6	54,640	Sept. '60	Nov. '60	Pullman-Standard
	10	Box	100,000	50	6	60,760	Sept. '60	Nov. '60	Pullman-Standard

1960 FREIGHT-TRAIN CAR ORDERS—EXPORT

Purchaser	No.	Type	Capacity	Length Ft.	Length In.	Weight	Date Ordered	Date Delivery	Builder
Orinoco Mining Co.	4	Ballast	100,000	38	0	....	Dec. '60	Dec. '60	U. S. Rwy. Equipment Co.
Peru	15	Ore	140,000	38	10	50,000	June '60	Dec. '60	Magor
Quebec Cartier Mining Co.	4	Caboose	80,000	30	0	50,000	March '60	Nov. '60	Morrison-International
Southern Peru Copper Corp.	12	Hopper	180,000	38	4	87,100	Jan. '60	July '60	Bald.-Lima-Ham.

1960 FREIGHT-TRAIN CAR ORDERS—CONTINUED ON PAGE 89 ►

1960 FREIGHT-TRAIN CAR ORDERS—CANADA

Canadian General Transit	20	Tank	100,000	..	..	....	1960	1960	Canadian Car
	6	Refrigerator	100,000	43	11	68,900	May '60	Nov. '60	Canadian Car
Canadian National	48	Cov. Hopper	140,000	36	0	50,200	March '60	June '60	Marine Industries
	2	Cyl. Hopper (4)	140,000	34	11 1/2	35,100	March '60	Sept. '60	Marine Industries
	300	Box	100,000	39	7 5/8	52,900	May '60	Dec. '60	Canadian Car
	130	Flat	80,000	40	0	29,000	July-Sept. '60	Dec. '60	Dominion Steel
	25	Flat	80,000	42	0	30,450	Nov. '60	Dec. '60	Dominion Steel
Canadian Pacific	500	Box (1)	100,000	40	6	44,500	Jan. '60	July '60	Canadian Car
	40	Flat (1)	100,000	54	4	53,000	June '60	Dec. '60	Canadian Car
	500	Box (1)	100,000	40	6	44,500	Jan. '60	Mid '60	National Steel Car
	100	Flat (1)	100,000	46	0	42,300	Jan. '60	May '60	National Steel Car
	150	Flat (1)	100,000	46	0	42,300	June '60	Oct. '60	National Steel Car
	200	Flat (1)	140,000	53	6	58,500	Feb. '60	July '60	Dominion Steel
	100	Flat (1)	140,000	53	6	64,900	Feb. '60	Sept. '60	Dominion Steel
Toronto, Hamilton & Buffalo	50	Hopper	140,000	44	8	49,000	July '60	Sept. '60	National Steel Car

(1) Steel frame; (2) Aluminum and steel; (3) Steel-sheathed; (4) Aluminum; (5) Cast nickel steel; (6) All steel—wood floor; (7) Cast steel

1960 LOCOMOTIVE ORDERS

Purchaser	No.	Wheel Arrangement	Service	Weight Lb.	Horse-Power	Date Ordered	Delivery Date	Builder
Atchison, Topeka & Santa Fe	25	....	Rd.-Sw.	240,000	1,000	Feb. '60	July '60	E. M. D.
Central of Georgia	8	B-B	Rd.-Sw.	248,000	1,800	Jan. '60	June '60	E. M. D.
Chicago, Burlington & Quincy	36	C-C	Rd.-Sw.	250,000	2,000	Oct. '60	May '61	E. M. D.
Chicago & North Western	2	B-B	Sw.	222,150	900	March '60	April '60	E. M. D.
	6	B-B	Sw.	224,600	1,200	March '60	2nd half '60	E. M. D.
Duluth, Missabe & Iron Range	19	B-B	Rd.-Sw.	248,000	1,800	1960	April '60	E. M. D.
Great Northern	18	B-B	Rd.-Sw.	248,000	2,000	1960	Oct. '60	E. M. D.
Green Bay & Western	1	B-B	Gen. Purp.	256,100	2,400	July '60	Nov. '60	Alco
New York, Chicago & St. Louis	5	B-B	Rd.-Sw.	230,000	1,800	Feb. '60	May '60	Alco
	10	B-B	Gen. Purp.	230,000	1,800	Feb. '60	July '60	E. M. D.
Northern Pacific	9	B-B	Gen. Purp.	245,000	1,800	Jan. '60	June '60	E. M. D.
	6	B-B	Gen. Purp.	247,000	1,800	Jan. '60	June '60	Alco
Pennsylvania	66	C-C	Frt.*	....	4,400	Jan. '60	Oct. '63	General Electric
Seaboard Air Line	10	B-B	Gen. Purp.	244,520	1,800	April '60	July '60	Alco
	10	B-B	Gen. Purp.	245,212	1,800	April '60	Sept. '60	E. M. D.
Texas & Pacific	5	B-B	Sw.	246,000	1800	Feb. '60	June '60	E. M. D.
Union Pacific	30	....	Rd.-Sw.	....	2,000	March '60	Sept. '60	E. M. D.
Various Industrial	3	B-B	Sw.	160,000	550	1960	1960-61	General Electric
	4	B	Sw.	70,000	275	1960	1960-62	General Electric
	2	B-B	Sw.	90,000	300	March '60	April '60	General Electric
	1	C	Sw.	180,000	320	April '60	Oct. '60	General Electric
	3	B	Sw.	100,000	275	May '60	1960	General Electric
	1	B-B	Sw.	130,000	550	May '60	June '60	General Electric
	3	B	Sw.	50,000	150	July '60	Oct. '60	General Electric
	1	B-B	Sw.	100,000	300	Aug. '60	Dec. '60	General Electric
West Virginia Northern	1	B-B	Sw.	245,000	1,200	Feb. '60	Sept. '60	E. M. D.

* Rectifier type a-c electric locomotives.

1960 LOCOMOTIVE ORDERS—CANADIAN DOMESTIC

Pacific Great Eastern	4	B-B	Sw.	240,000	1,800	Feb. '60	Sept. '60	Mt'l Loco. Works
Quebec, North Shore & Labrador	2	B-B	Gen. Purp.	260,000	1,750	Jan. '60	May '60	G. M. Diesel Ltd.
Roberval & Saguenay	1	B-B	Rd.-Sw.	250,000	1,800	Jan. '60	May '60	Mont'l Loco. Wks.
Sydney & Louisburg	3	B-B	Sw.	230,000	1,000	Feb. '60	Aug. '60	Mt'l Loco. Works

1960 LOCOMOTIVE ORDERS—EXPORT

Purchaser	No.	Wheel Arrangement	Service	Weight Lb.	Horse-power	Date Ordered	Delivery Date	Builder
Argentina, Acindar	2	B	Sw.	70,000	275	Aug. '60	Dec. '60	General Electric
	1	B-B	Sw.	90,000	300	Aug. '60	Dec. '60	General Electric
Brazil, Cosipa	2	B-B	Sw.	176,000	700	Sept. '60	Sept. '60	General Electric
	2	C-C	Gen. Purp.	235,000	1,320	Sept. '60	Oct. '61	General Electric
Mogiana	23	B-B	Gen. Purp.	125,000	875	1960	Oct' '60	G. M. Overseas
Rede Ferroviaria	16	B-B	Gen. Purp.	152,000	875	1960	Oct. '60	G. M. Overseas
	16	B-B	Gen. Purp.	159.700	1,310	1960	Aug. '60	G. M. Overseas
	31	B-B	Gen. Purp.	125,000	875	1960	March '61	G. M. Overseas
	24	B-B	Gen. Purp.	159,700	1,310	1960	Feb. '61	G. M. Overseas
	108	B-B	Sw.	110,000	600	Sept. '60	June '61	General Electric
	65	B-B	Gen. Purp.	120,000	900	Sept. '60	May '61	General Electric
	6	C-C	Gen. Purp.	271,000	4,400	Sept. '60	Oct. '61	General Electric
Rio Doce	25	B-B	Gen. Purp.	159,700	1,310	1960	April '60	G. M. Overseas
Sorocabana	15	B-B	Gen. Purp.	125,000	875	1960	March '61	G. M. Overseas
Chile, Antofagasta-Bolivia	6	C-C	Gen. Purp.	194,000	1,310	1960	March '61	G. M. Overseas
Minera Santa Fe	2	B-B	Frt.	120,000	700	March '60	June '60	General Electric
State Railways	4	C-C	Gen. Purp.	108,000	1,320	Dec. '60	Dec. '60	General Electric
Colombian Nat. Rwys.	7	B-B	Gen. Purp.	110,000	700	Jan. '60	March '60	General Electric
Congo, Comilog	7	C-C	Gen. Purp.	211,000	1,420	Feb. '60	1960-61	General Electric
Cuba, Occidentales	1	B-B	Sw.	130,000	750	April '60	May '60	General Electric
Dominican Republic	1	B-B	Sw.	90,000	300	Dec. '60	Feb. '61	General Electric
Eire, C. I. E.	15	B-B	Gen. Purp.	125,000	875	1960	Dec. '60	G. M. Overseas
India, Tata Iron & Steel	10	B-B	Sw.	160,000	550	Sept. '60	Dec. '60	General Electric
Liberia, Liberia Mining	1	B-B	Gen. Puro.	152,000	875	1960	Feb. '61	G. M. Overseas
National Iron	3	C-C	Gen. Purp.	194,000	1,310	1960	Dec. '60	G. M. Overseas
Mexico, La Tolteca	1	B-B	Sw.	160,000	550	March '60	May '60	General Electric
MGRS	14	B-B	Gen. Purp.	159,700	1,310	1960	June '60	G. M. Overseas
MGRS	11	C-C	Gen. Purp.	214,000	1,800	1960	July '60	G. M. Overseas
SCT	9	B-B	Gen. Purp.	255,000	1,600	July '60	1960-61	Fairbanks, Morse
SCT	1	B-B	Sw.	246,000	1,200	July '60	March '61	Fairbanks, Morse
SCT	3	B-B	Gen. Purp.	244,000	1,800	1960	May '61	G. M. Overseas
Pakistan, E. Bengal	21	A1A	Gen. Purp.	136,000	875	1960	Dec. '60	G. M. Overseas
Peru, South Peru Copper	2	B-B	Sw.	232,000	900	1960	March '61	G. M. Overseas

1960 LOCOMOTIVE ORDERS—EXPORT *(continued)*

Purchaser	No.	Wheel Arrangement	Service	Weight Lb.	Horse-Power	Date Ordered	Delivery Date	Builder
Philippines, Philippine Rwy	1	B	Sw.	50,000	150	Jan. '60	Jan. '60	General Electric
	1	B-B	Gen. Purp.	140,000	700	Jan. '60	Feb. '60	General Electric
Manila RR	10	B-B	Gen. Purp.	120,000	700	Dec. '60	Dec. '60	General Electric
South Africa, Buffelsfontein G.M. Co	1	0-6-0	Gen. Purp.	89,000	600	1960	Jan. '61	G. M. Overseas
Standard Vacuum	1	B	Sw.	70,000	275	Oct. '60	March '61	General Electric
Spain, EBASCO	1	B	Sw.	70,000	275	Nov. '60	March '61	General Electric
Taiwan	26	A1A	Gen. Purp.	159,700	1,310	1960	Jan. '61	G. M. Overseas
	5	A1A	Gen. Purp.	136,000	875	1960	Feb. '61	G. M. Overseas
United Arab Republic, Egyptian Rwy.	42	B-B	Gen. Purp.	159,700	1,310	1960	April '60	G. M. Overseas
	16	C-C	Gen. Purp.	214,000	1,800	1960	Sept. '60	G. M. Overseas
Venezuela, Orinoco Mining	4	B-B	Sw.	232,000	900	1960	Sept. '60	G. M. Overseas
Yugoslavia	57	C-C	Gen. Purp.	214,000	1,800	1960	Nov. '60	G. M. Overseas

1960 LOCOMOTIVE ORDERS—CANADIAN EXPORT

Purchaser	No.	Wheel Arrangement	Service	Weight Lb.	Horse-power	Date Ordered	Delivery Date	Builder
Ceylon	2	B-B	Gen. Purp.	160,000	1,425	Sept. '60	April '61	G. M. Diesel Ltd.
New Zealand	12	A1A	Gen. Purp.	172,000	1,425	Nov. '60	June '61	G. M. Diesel Ltd.

1960 PASSENGER-TRAIN CAR ORDERS

Purchaser	No.	Type	Length Ft.	Length In.	Construction	Seating Capacity	Weight	Date Ordered	Delivery Date	Builder
Atchison, Topeka & Santa Fe	25	Baggage (shells)	70	0	All Steel	...	95,000	Jan. '60	3rd quart. '60	Pullman-Standard
Chicago & North Western	74	Coach*	85	0	Low Alloy Steel	161	126,000	Jan. '60	1st half '61	Pullman-Standard
	42	Coach**	85	0	Low Alloy Steel	155	129,000	Jan. '60	Late-'60	Pullman-Standard
Chicago, Milwaukee, St. Paul & Pacific	32	Coach*	85	0	Stainless Steel	162	108,000	July '60	Mid-'61	Budd Co.
	8	Coach**	85	0	Stainless Steel	156	110,000	July '60	Mid-'61	Budd Co.
Chicago, Rock Island & Pacific	25	Baggage	70	0	All Steel	...	100,000	June '60	Jan. '61	St. Louis Car
Missouri Pacific	10	Mail-Storage	67	6	All Steel	...	77,280	Feb. '60	Oct. '60	ACF
New York City Transit	260	Subway Coach	60	2½	Low Alloy Steel	56	81,000	Aug. '60	....	St. Louis Car
	60	Subway Coach	60	2½	Low Alloy Steel	56	81,000	Dec. '60	....	St. Louis Car
Union Pacific	20	Coach	85	0	All Steel	44	......	March '60	1st quart. '61	Budd Co.
	25	Mail-Baggage-Express	85	0	All Steel	...	......	March '60	1st quart. '61	ACF

* Double-deck gallery type.
** Double-deck gallery type with cab for controls.

Yards Pace Construction Work

Continuing the pace set several years ago, yard work took the biggest piece of the construction pie in 1960. Evidence points to a continuation of this pace through 1961, although line changes probably will run a close second.

These statements are based on information obtained from replies to a questionnaire sent by Railway Age to 420 railroads in the United States, Canada and Mexico. Data were requested on construction projects under way in 1960 costing $1,000,000 or more and projects proposed to be started in 1961 costing $500,000 or more.

Twenty-three railroads reported a total of 88 projects started or under way in 1960 costing $1,000,000 or more. Aggregate cost of these projects is $607,200,000, or 4.1% more than the $583,100,000 reported in 1959. The latter figure covered the cost of 99 jobs in the $1,000,000 class.

Yards, new lines, changes to existing lines and installation of CTC were the leading categories in 1960. These four types of work accounted for over 70% ($428,400,000) of the aggregate cost of all reported projects.

Fifteen of the jobs reported under way in 1960 were new yards or improvements to existing yards. Total cost of these projects amounted to $213,960,000 or 35.2% of the expenditures for all jobs reported. The largest single yard project is the Canadian National's new hump classification yard at Toronto, Ont., costing $43,000,000. Yard work by this road totaled $86,500,000, or 40.5% of the funds spent in this category. In addition to the Toronto facility, the CN is constructing a new yard at Montreal, Que., costing $28,500,000, one at Winnipeg, Man., costing $24,200,000 and a third at Moncton, N. B., costing $15,000,000. The latter facility was recently placed in service. The second largest single yard project is being carried out in the United States. Involving a total expenditure of $34,100,000, this is the Pennsylvania's yard at Conway, Pa.

New lines again took second place in the list of categories, with $94,800,000 reported expended. Cost of jobs in this grouping amounted to 15.6% of the total expenditures reported. Six projects were reported, all on the CN, of which four are complete or virtually complete. The largest project in this category ($44,000,000) is a new access line at Toronto. Second largest is $35,000,000 for a new line from Beattyville to Chibougamau and St. Felicien in Quebec.

Line changes comprised the third largest category of work under way in 1960, with CTC projects a close fourth. The cost of line changes in progress costing over $1,000,000 or more aggregated $61,000,000 or 10% of the total. CTC projects accounted for 9.7%, or $58,800,000. The third-place position of line changes was largely due to the Western Pacific's $40,000,000 main-line-relocation job between Oroville, Calif., and Intake. The relocation will permit construction of the $2.5 billion Oroville flood-control dam on the Feather river. The largest CTC job reported under way is a $9,000,000 project between Syracuse, N. Y., and Buffalo, on the New York Central.

Ten railroads reported plans to start construction on projects costing over $500,000 in 1961. A total of 24 projects was included in this class, with an aggregate cost of $77,500,000. Largest job by far is an 80-mile main-

line-relocation project on the Spokane, Portland & Seattle to permit construction of the John Day locks and dam on the Columbia River. Total cost of this job is estimated to be $60,000,000. The first contract, to be awarded this year, will be for relocating five miles of tracks at a cost of $5,000,000.

Due largely to the SP&S project, line changes headed the list of categories of work slated to get under way this year. Total money in this category is $60,600,000, or 78.2% of the total. Shop construction took second place among work planned for 1961. Aggregate cost of projects in this category is $7,600,000, or 9.8% of the total. The largest job is enlarging and modernizing the Louisville & Nashville car shops at South Louisville, Ky., estimated to cost $5,000,000.

No new yard projects costing $500,000 or more were reported for 1961. However, new yards will retain their position at the head of the list of construction jobs by virtue of projects started or under way in the past year.

Brief descriptions of the projects completed or under way in 1960, costing $1,000,000 or more, follow. Figures in parentheses indicate the percentage of completion at the close of the year.

These are followed by projects costing $500,000 or more that are authorized to be started in 1961.

Jobs Completed or Under Way in 1960

Atchison, Topeka & Santa Fe: Traffic reversal between Argyle, Iowa, and Marceline, Mo. (80), and Marceline and Carrollton, Mo. (5); freighthouse, Argentine, Kan. (25); yard improvement, Clovis, N. M. (50); line change, Williams, Ariz., to Crookton (95); Port Isabel freighthouse and trackage, San Francisco, Calif. (100).

Baltimore & Ohio: Construction of new bridge over Arthur Kill, Arlington, S.I., N. Y., $9,250,000 (99); install CTC from Philadelphia, Pa., to Baltimore, Md., and install remote control at a number of locations in Philadelphia, $2,480,000 (CTC-100, remote control-10); grade crossing elimination, Chester, Pa., $3,000,000 (1); reconstruction of Fort Avenue highway bridge, Baltimore, Md., $1,000,000 (100); install CTC and interlocking remote control system from Brunswick, Md., to Point of Rocks and Weverton, $1,500,000 (100); construct westbound yard and terminal facilities at Cumberland, Md., $10,000,000 (100); grade crossing elimination at East Main street, Chillicothe, Ohio, $1,252,000 (60); grade crossing elimination at Madison road, Cincinnati (Oakley), Ohio, $2,000,000 (100); grade crossing elimination at Herman-Keowee street, Dayton, Ohio, $1,165,000 (59); Congress Street expressway, Chicago, $10,000,000 (100); construct two railroad bridges due to Calumet Sag channel improvements, Blue Island, Ill., $2,065,000 (95).

Canadian National: Install CTC on 14 subdivisions, $5,015,000; additions and alterations to yards at Corner Brook, N.F., $1,500,000 (85), St. John's, N. F., $1,770,000 (30), and Edmundston, N. B., $1,041,700 (88); construct new yard and facilities at Moncton, N. B., $15,000,000 (95); construct main line diversion between Turcot, West, and Dorval, Que., $4,900,000 (76); construct new marshalling yard at Montreal, Que., $28,500,000 (87); make alterations to mouth of Mount Royal tunnel, Montreal, $1,360,000 (71); construct station facilities under Queen Elizabeth hotel, Montreal, $4,471,000 (79); construct new office building and garage, Montreal, $18,400,000 (62); construct new access line at Toronto, Ont., $44,000,000 (15); construct new hump classification yard, Toronto, $43,000,000 (9); construct main spur to Deas Island, Vancouver, B. C., $1,358,000 (30); construct new hump yard at Winnipeg, Man., $24,200,000 (42); replace frame trestle with viaduct, Edmonton division, $1,411,000 (95); construct new diesel shop at Calder, Alta., $3,185,000 (98); construct combined freight and passenger car repair shop at Transcona, Man., $2,912,000 (73); convert steam locomotive shops to heavy repair shop for diesel locomotives, Battle Creek, Mich., $1,521,000 (100); construct following branch lines: Between Bartibog and Heath Steele Mines, N. B., $2,474,000 (100); Beattyville-Chibougamau-St. Felicien, Que., $35,000,000 (99); Optic Lake and Chisel Lake, Man., $7,450,000 (99); Sipiwesk and Thompson, Man., $4,500,000 (99).

Canadian Pacific: Install CTC between Trenton, Ont., and Agincourt, $1,501,600 (100); construct automated gravity switching yard, Agincourt, Ont., $16,900,000 (8); install CTC and convert from double track to single track between Moose Jaw, Sask., and Swift Current, $2,234,000 (100); reline spiral tunnels with reinforced concrete, $2,320,000 (73).

Chesapeake & Ohio: Replace steel spans in viaduct, Richmond, Va., $7,049,000 (72); reconstruct westbound manifest yard, Russell, Ky., $5,463,300 (100); install CTC between Hinton, W. Va., and Sewell, $2,226,170 (100); between Clifton Forge, Va., and Hinton, W. Va., $2,991,300 (20); and between Cabin Creek Junction and St. Albans, W. Va., $2,306,400 (46)

Chicago, Burlington & Quincy: Construct new Mississippi River bridge, including track changes, Quincy, Ill., $11,500,000 (100); construct freighthouse at North Kansas City, Mo., $1,506,000 (100); construct depot and facilities at St. Joseph, Mo., $748,771 (100); construct addition to freighthouse No. 10, Chicago, $538,962 (100); install CTC between St. Louis, Mo., and Machens, $520,726 (20).

Delaware & Hudson: Install CTC for single-track operation between Afton, N. Y., and Crescent, $1,490,000 (70)

Denver & Rio Grande Western: Install micro-wave communication system, $1,803,240 (60).

Georgia & Florida: Rehabilitate main line with ICC-approved loan, $3,000,000 (40).

Grand Trunk Western: Convert steam locomotive shop to heavy repair shop for diesel locomotives, including fueling facilities, Battle Creek, Mich., $1,200,000 (100).

Great Northern: Install CTC between Brookston, Minn., and Gunn, (100); and between Brainville, Mont., and Dodson (100).

Gulf, Colorado & Santa Fe: Install CTC between Birds, Tex., and Ricker (90); relocate nine miles of main line between Browndell, Tex., and Pineland to permit construction of McGee dam (100).

Jersey Central Lines: Elimination of grade crossing at Port Reading, N. J., $1,290,000 (100).

Louisville & Nashville: Construct new yard at DeCoursey, Ky., $11,500,000 (15).

Missouri-Kansas-Texas: Rebuild Ray yard at Denison, Tex., Parsons yard, at Parsons, Kan., Baden yard at St. Louis, Mo., Glen Park yard at Kansas City, Kan., and Bellmead yard at Waco, Tex.

New York Central: Make changes to freight yard and engine servicing facilities, abandon pier operations, construct additional freighthouse and freight handling platforms, 60th Street yard, New York, $4,400,000 (95); con-

struct new classification yard and supporting facilities, Avon, Ind., $14,600,000 (97); construct bridge carrying main line over Vine street for grade separation project, Willoughby, Ohio, $3,000,000 (50); construct bridges to carry main line and yard tracks over West 21st street for grade separation project, Elkhart, Ind., $1,800,000 (25); construct track bridge for grade separation project, Ashtabula, Ohio, $3,600,000 (40); construct viaduct to carry Damen avenue over tracks and right of way of Chicago River & Indiana, Chicago, $9,700,000 (22); install APB signaling system between Weehawken, N. J., and Selkirk, N. Y., $1,700,000 (100); install CTC system between Syracuse, N. Y., and Buffalo, $9,000,000 (100); between Carman, N. Y., and East Syracuse, $7,600,000 (15), and between Berea, Ohio, and Toledo, $3,700,000 (65).

Norfolk & Western: Install traffic control system between Abilene, Va., and Princeton, W. Va., $2,276,000 (60); rearrange signaling and traffic control systems between Burkeville, Va., and Oakvale, W. Va., $1,215,000 (50); construct extension to West Roanoke yard, Roanoke, Va., $1,985,000 (50); construct additional coal-handling facilities, Norfolk, Va., $19,600,000.

Norfolk Southern: Replace timber trestle over Albemarle sound between Edenton, N. C., and Mackeys with creosoted piles and steel stringers, $1,847,130 (45).

Northern Pacific: Install CTC between Park City, Mont., and Livingston, $2,500,000 (84) and between Garrison, Mont., and Missoula, $1,400,000 (100); rebuild 50 piers and shift girder spans of bridge at Sandpoint, Ida., $2,100,000.

Pennsylvania: Make passenger terminal improvements at Pittsburgh, Pa., $27,284,300 (88); Conway yard development, Conway, Pa., $34,096,510 (98); construct river-rail diesel facility at Kellogg avenue and Undercliff yard, Cincinnati, Ohio, $1,000,000 (100); install CTC and abandon one main track between Rockville, Pa., and McElhattan, $3,700,000 (95); make alterations to Venango yard, and the Chautauqua and West Seneca branches between Buffalo, N. Y., and Franklin, Pa., due to Allegheny River reservoir project, $9,582,000 (3).

Quebec North Shore & Labrador: Slope improvement and line relocation to reduce landslide hazards, $3,500,000.

Richmond Fredericksburg & Potomac: Construct a mechanical shop for consolidating freight car, passenger car and diesel repairs, Acca terminal, Richmond, Va., $1,800,000 (10).

Southern: Revise line and grade at

Railroading After Hours with Jim Lyne

'SNOWBIRD' FORMULA—Richard Hill of St. Louis lays claim to the four-bit cigar I offered for "the best practicable plan for collecting suitable contributions from snowbirds" (the people who ride the railroads only when other forms of transportation are snowed in).

I'm afraid, though, that his proposal doesn't meet the specifications, because he wants railroads to roll out the red carpet for these bad-weather customers. I'd agree with him, if I believed there were any way of winning these people as steady patrons—but experience does not indicate that it can be done. Besides, where's the money coming from to keep a lot of expensive equipment on hand 365 days a year, solely for the comfort of people who only want to use it once or twice a winter?

People who use their electricity or phones only occasionally are, nevertheless, required to pay a minimum monthly charge. Snowbirds owe a similar payment to the railroads—the question is: How can it be collected?

BOOM ON MEX RAILWAYS—General Manager Mendez of the National Railways of Mexico has announced his budget for 1961. He expects revenue of 1.4 billion pesos ($112 million) and expenses of 2 billion pesos ($160 million)—a deficit of 600 million pesos ($48 million), which will be met by the government as a subsidy to permit continuance of low-priced railway service.

The deficit includes payments of interest and principal on foreign loans for rehabilitation and improvements. With this kind of government help from the national treasury, rates and fares are kept at a traffic-building level.

Lest some dweller in a glass house north of the border may feel critically inclined toward such a transportation subsidy as this, let him reflect what's going on up our way. The same kind of subsidy (but much more lavish) is being handed out up here—only not to railroad service, but exclusively to that of the railways' competitors. In passing out transportation favors, the U.S. subsidizes the rich (e.g., the principal users of barges). Mexico subsidizes the poor (e.g., by very low rail passenger fares).

HOFFA'S COMPLAINT—The Charleston, W. Va., Daily Mail has something to say about Jimmy Hoffa's complaint about the growth of piggyback service. As long as trucks were taking jobs away from railroad employees, says the Mail, that was okay with Mr. Hoffa—but he doesn't like it much, now that the trend is going the other way.

On the matter of proposed "royalties" to Hoffa's union for trailers moving by rail, the Mail says it hopes that controversy will be settled with the public's interest protected—which it scarcely expects to happen if the decision is left up to Mr. Hoffa.

For the life of me, I can't figure out how Hoffa continues to be the power he is—with all the opposition he's aroused in high places. I wonder what some of his members who are hauling freight to the railroads think of his anti-railroad attitude.

HOW CUT EXPENSES?—"Do we cut out the waste or cut out functions?"—this was the question asked by a department head recently when he was ordered to reduce expenses by a substantial percentage ratio, with no instructions as to details.

It is an important question, too. Eliminating waste is always in order. And sometimes functions continue to be assigned when they have outlived their usefulness (e.g., staff employed to prepare reports, once closely followed but now discarded unread). But is it good business to furlough a man or group who are performing duties which bring in (or save) more than their cost? The efficiency of a budget trimmer needs to be judged by the quality of his slicing—rather than by quantity only.

Talowah, Miss., $1,721,000 (50); install hot box detectors at 83 locations, $4,000,000 (95); install microwave communication system between Washington, D. C., and Atlanta, Ga., $5,300,000 (1); install CTC between Bristow, Va., and Orange, $1,280,000 (100); install air conditioning system in general office building, Washington, D. C., $1,025,000 (50).

Union Pacific: Install CTC between Denver, Colo., and Carr, Wyo., $2,102,470 (95); replace semaphore signal system, pole line and overlap circuits with colorlight signals, new pole line and APB circuits between Chew, Wash., and Mason, $1,429,693 (2).

Wabash: Replace bridge over Calumet Sag channel, Palos Park, Ill., $1,259,934 (90).

Western Pacific: Relocate existing main line between Oroville, Calif., and Intake to permit construction of Oroville dam, including construction of four bridges and five concrete-lined tunnels, $40,000,000 (60).

Winston-Salem Southbound: Relocate main line and other facilities near Tuckertown, N. C., to permit construction of hydroelectric dam, $1,250,000.

Projects Proposed for 1961

Atlantic Coast Line: Replace existing swing drawspan with rolling-lift drawspan and approach girder spans, St. Johns river, Palatka, Fla., $611,503.

Baltimore & Ohio: Install CTC between New River Junction, Ohio, and Dayton, $588,000; strengthen or reconstruct 30 railroad bridges, system, $1,000,000; construct three bridges due to Calumet Sag channel improvements, Blue Island, Ill., $1,200,000.

Canadian National: (Estimated expenditures during 1961) Extend Nazareth steam plant, Montreal, Que., $1,106,000; install ventilation system at track level under Central station, Montreal, $1,223,000.

Chicago & Eastern Illinois: Install CTC between Danville, Ill., and Watseka, $837,300.

Denver & Rio Grande Western: Install CTC between Kobe, Colo., and Salida, $539,920; centralize mechanical department facilities, Pueblo, Colo., $546,510.

Great Northern: Construct line change between Rising Wolf, Mont., and Summit, and between Index, Wash., and Gold Bar; construct extension to blacksmith shop and install equipment, St. Cloud, Minn.; install CTC between Surrey, N. D., and Aylmer, between Pacific Junction, Mont. and Chester, and at Burnaby, B. C.

Louisville & Nashville: Enlarge and modernize car shops, South Louisville, Ky., $5,000,000.

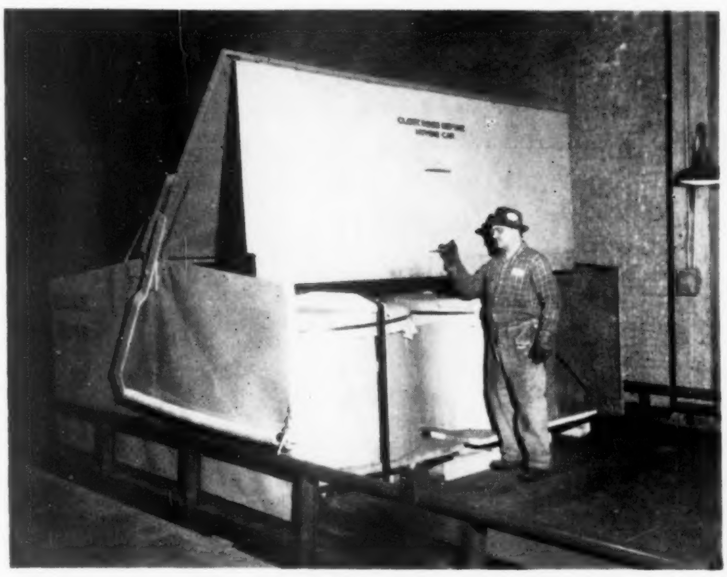
Norfolk & Western: Improve diesel and car repair facilities, Williamson, W. Va., $585,000; install inside guard rails on bridges on former Virginian line between Norfolk, Va., and Deepwater, W. Va., $521,200.

Seaboard Air Line: Replace through-truss spans with deck-plate girder spans and construct four new concrete piers, Ocmulgee River bridge, Macon, Ga.; construct open-deck trestle, Vidalia, Ga.; construct concrete trestle, Baldwin, Fla., construct freight handling warehouse at Charlotte, N. C.; construct new freight stations at Charlotte and Raleigh, N. C.

Southern: Construct extension to main track of Louisiana Southern between Poydras, La., and Toca, $645,000; revise line and grade on Alabama Great Southern including a bridge renewal, at Big Canoe Creek, Ala., $549,000; modernize diesel running-repair facilities at Citico yard, Chattanooga, Tenn., $800,000; enlarge facilities for running repairs to diesels at Pegram shop, Atlanta, Ga., $620,000.

Spokane International: Replace trestle over Pend Oreille river, Sanpoint, Ida., $1,113,000.

Spokane, Portland & Seattle: Relocate five miles of main line (eventually 80 miles) to permit construction of the John Day locks and dam on the Columbia river, $5,000,000.



Coil Cover, Load Retarder Developed

Loading and unloading are simplified and lading protection is increased by use of a special steel cover and built-in load retarding device developed by U. S. Steel for shipment of coiled tin mill products on flat cars. The new load cover features a counter-balanced hinged top and front section which can be folded back to permit loading by fork-lift or overhead crane. Covers conform closely to load contour and are mounted on tracks which also serve as load guides. The retarder device is a permanent installation, mounted flush with the car floor and anchored to the underframe. Steel strapping may be threaded through the retarder, which has a hinged cover to permit insertion of the band. When the cover is closed, corrugated surfaces on cover and body mesh to provide a braking effect. According to USS, cars equipped with the cover and retarder can be loaded or unloaded in about half the time required by other handling methods. Test cars have passed service tests successfully, and another 25 specially equipped cars are scheduled to go into production.

REA: New Container Service

► The Story at a Glance: Express service in containers mounted on piggyback cars handled in passenger trains will begin this month. REA Express will provide the service between St. Louis and New York and Columbus, Dayton, Indianapolis and Terre Haute en route via PRR. New small containers that can be loaded and unloaded from trackside in less time than is required for normal passenger service stops will be used, making waypoint service feasible.

Small shippers get a big break in a new service REA Express is inaugurating this month. For the first time, says REA President W. B. Johnson, it is possible to transfer large volumes of express shipments to and from fast passenger trains at way points where only brief stops can be scheduled.

A typical passenger stop, Mr. Johnson points out, does not permit the handling of any substantial volume of shipments to and from through express cars, nor does it permit cutting out and switching express cars for handling at en route express terminal sidings.

To overcome the time problem, REA has developed two new systems of small containers, side-loaded on compatible piggyback rail car equipment for passenger train operation. One system uses 20 44-in. by 8-ft by 8-ft Fruehauf containers carried in four racks on an 85-ft General American Transportation car. The other uses 16 5- by 8- by 8-ft Trailmobile containers carried on a Pullman-Standard piggyback car. Both systems are scheduled to go into New York-St. Louis pilot service this month.

In the pilot service, the new containers will move between New York and St. Louis in under 21 hours in regularly scheduled PRR passenger trains. In announcing the new REA operations, President Johnson said they "provide important new transportation horizons for the nation in faster, more efficient package and small shipment handling."

Among benefits to package and small shipment customers, Mr. Johnson cited reduction of handling of individual shipments at terminals and in express cars, pre-assorting of shipments into individual containers according to destination, sealed-in-container protection of shipments, direct routing and a reduction in split-lot deliveries.

The first system to be demonstrated was that using Fruehauf containers with the General American G-8 car. The 44-in. by 8-ft by 8-ft containers are made of magnesium. First of their kind, they weigh 496 lb empty. Payload cubic volume is 211.65 cu ft and capacity is two tons. The piano-type hinge, double swing doors on one side and one end provide a 41- by 83-in. opening. Each container is mounted on four casters, two of which swivel. The 44-in. width will permit two containers to be loaded side by side in an open-top van trailer.

The 85-ft G-85 carries four racks holding five containers each or mixed combinations of containers on racks, truck trailers and varying modular length 8- by 8-ft containers. Like other G-85 cars, the container cars leased by REA are 70-ton capacity and have a shock absorber system built-in between the center sills permitting 11 inches of travel forward and back for a 22-in. total load movement. Hooks connect the racks to the shock-absorption system of the car, which gives container ladings good protection against impact damage.

There are four demountable rack-cradles, each 20- by 8-ft. Each carries five containers in horizontal channels. The racks can be loaded or unloaded at car ends by a winch to or from flatbed trucks or a bogey trailer chassis. With racks removed, the car is a standard G-85 piggyback car fitted for passenger service.

SMALL SHIPMENT CONTAINERS are going into regular passenger train service between New York and St. Louis and way points. REA Express developed the system to permit handling large volumes of express shipments in passenger service to way points where only brief service stops can be scheduled. The New York-St. Louis service via PRR is billed as a "pilot operation" with other operations expected to follow later.

At the express terminal, shipments for the new service are loaded into the containers, using either the side or end doors, and sealed. The containers also make it possible for shippers to load whatever goods are desired and to have REA move the entire sealed unit through, intact, to desired destination.

The sealed unit, ready to be loaded on the container car, is rolled onto a hydraulic, variable-height REA platform truck. These trucks have channeled bridges, hinged at the rear of the truck, over which the container casters slide.

The container-loaded platform trucks are hauled by platform tractors to a position perpendicular to the side of the piggyback car. The trucks can also be moved manually when necessary. The truck is braked, its wheels blocked, and the channel bridges are lowered to mesh with corresponding channels on the container car rack.

A hand-operated hydraulic pump on the platform truck is used to raise the platform to the same height as the channels on the rail car. The truck is then pushed into position on the rail car, where it rests against a stop. Racks can be worked from either car side. The channeled end-stop and lock on the rack, which also serves as a bridge to high-level station platforms, is then raised. The entire loading operation takes less than three minutes.

REA's companion system, featuring 16 side-loaded 5- by 8- by 8-ft Trailmobile steel containers on a compatible Pullman-Standard passenger train piggyback car, will be displayed later this month, Mr. Johnson noted. It, too, will go into the New York-St. Louis pilot service.

The pilot operations are expected to result in the development of many and varied specific applications speeding and improving small shipment transport, Mr. Johnson said.

Dividends Declared

AKRON, CANTON & YOUNGSTOWN.—reduced, 30¢, paid Jan. 15 to holders of record Jan. 3.

ALGOMA CENTRAL & HUDSON BAY.—common, 25¢, quarterly; 6% preferred, 75¢, quarterly, both payable March 1 to holders of record Feb. 15.

ATLANTA & CHARLOTTE AIR LINE.—$4.50, semi-annual, payable March 1, 1961, to holders of record Feb. 20.

BALTIMORE & OHIO.—common, reduced, 20¢, payable March 20, June 19 and Sept. 18, to holders of record Feb. 17, May 19 and Aug. 18, respectively; 4% non-cumulative preferred, $1, quarterly, payable March 20, June 19, Sept. 18 and Dec. 18, to holders of record Feb. 17, May 19, Aug. 18 and Nov. 17, respectively.

a RAILWAY AGE Service Page

Freight Operating Statistics of Large Railroads—Selected Items

Region	Road	Year	Miles of road operated	Train miles	Locomotive Miles: Principal and helper	Locomotive Miles: Light	Car Miles: Loaded (*thousands*)	Car Miles: Per cent loaded	Ton-miles (*thousands*): Gross excl. locos & tenders	Ton-miles (*thousands*): Net rev. and non-rev	Road-locos. on lines: Serviceable: Unstored	Road-locos. on lines: Serviceable: Stored	Road-locos. on lines: B.O.	Road-locos. on lines: Per cent B.O.
New Eng. Region	Boston & Maine	1960	1,549	200,374	200,974	2,586	6,939	62.1	503,707	210,759	67	3	17	19.5
		1959	1,559	201,966	202,086	3,158	7,255	63.7	502,957	210,971	76	7	27	21.5
	N. Y., N. H. & Hartfd	1960	1,719	211,395	211,395	12,455	7,961	63.9	545,263	218,401	59	..	14	19.2
		1959	1,739	229,969	229,969	13,543	8,786	66.2	561,979	232,937	61	..	13	17.6
Great Lakes Region	Delaware & Hudson	1960	763	130,200	131,462	1,139	6,404	64.8	455,025	243,073	43	..	9	17.3
		1959	764	134,832	136,127	1,295	6,986	65.4	493,897	248,530	28	7	4	10.3
	Del., Lack. & Western	1960	942	211,117	217,987	13,844	9,016	65.5	626,696	261,969	50	..	12	19.4
		1959	941	206,867	210,662	9,723	8,954	64.5	613,299	252,644	53	2	7	11.3
	Erie	1960	2,239	540,420	542,815	14,375	29,973	69.0	1,896,396	731,298	171	..	3	1.7
		1959	2,233	475,549	477,583	9,919	26,367	69.8	1,611,327	618,299	167	6	3	1.7
	Grand Trunk Western	1960	951	112,333	112,333	1,065	3,561	61.3	250,973	102,466	40	8	2	4.0
		1959	951	187,505	187,596	1,083	6,097	60.8	429,353	170,842	44	6	26	34.2
	Lehigh Valley	1960	1,114	180,909	181,685	5,808	8,354	64.8	570,385	254,535	31	..	3	8.8
		1959	1,114	179,019	181,742	4,413	7,998	65.5	543,787	244,934	27	..	7	20.6
	New York Central	1960	10,326	1,923,878	1,937,506	85,387	85,328	60.3	6,669,445	2,951,900	446	6	48	9.6
		1959	10,333	1,664,297	1,671,585	79,711	73,521	60.2	5,533,229	2,320,079	416	5	67	13.7
	New York, Chic. & St. L.	1960	2,155	572,002	572,002	5,486	26,616	64.9	1,941,114	867,531	107	3	2	1.8
		1959	2,155	484,758	484,758	3,683	22,561	64.7	1,568,205	666,646	100	31	8	5.8
	Pitts. & Lake Erie	1960	220	48,022	48,022	....	2,319	64.1	220,082	133,371	15	..	1	6.3
		1959	221	19,995	19,995	....	882	55.5	84,094	45,202	8	11	5	20.8
	Wabash	1960	2,400	406,092	406,217	3,752	20,224	63.9	1,424,182	592,092	106	..	8	7.0
		1959	2,379	378,164	378,457	3,687	18,951	66.0	1,272,081	516,647	114	..	3	2.6
Central Eastern Region	Baltimore & Ohio	1959	5,793	1,298,696	1,388,417	90,469	55,768	60.6	4,791,879	2,288,678	379	7	28	6.8
		1960	5,802	1,160,059	1,238,014	82,114	47,640	61.7	3,911,145	1,862,265	365	40	49	10.8
	Bessemer & Lake Erie	1960	203	38,453	39,136	79	1,367	60.8	160,910	103,702	12	1	..	..
		1959	203	19,366	19,597	2	344	57.1	33,649	18,141	9	6	..	..
	Central RR Co. of New Jersey	1960	593	103,867	105,187	5,161	4,301	65.0	333,343	177,302	65	..	5	7.1
		1959	597	104,332	105,592	5,387	3,925	65.0	301,080	159,493	69	2	2	2.7
	Chicago & Eastern Ill.	1960	863	100,162	100,162	2,094	4,749	61.0	385,666	196,240	28	..	4	12.5
		1959	863	95,463	95,463	2,105	4,853	63.2	392,112	204,963	24	..	6	20.0
	Elgin, Joliet & Eastern	1960	205	49,411	50,399	....	1,807	61.4	152,380	83,691	42	5	1	2.1
		1959	205	30,628	31,470	....	1,115	64.5	87,687	47,280	30	13	1	2.3
	Pennsylvania System	1960	9,809	1,353,099	1,425,985	91,262	56,827	62.9	4,368,695	2,067,548	656	13	95	12.4
		1959	9,865	2,180,093	2,273,339	142,250	97,490	64.4	6,953,270	3,110,124	637	34	66	9.0
	Reading	1960	1,302	296,810	301,162	6,310	9,996	58.1	1,034,247	561,113	149	5	12	7.2
		1959	1,302	237,847	238,436	8,252	9,238	59.0	786,902	406,645	119	9	29	18.5
	Western Maryland	1960	841	148,379	156,282	11,620	7,107	64.6	626,421	358,314	42	..	1	2.3
		1959	844	98,832	100,616	3,951	3,682	57.9	322,220	166,108	30	3	1	2.9
Pocahontas Region	Chesapeake & Ohio	1960	5,060	1,128,359	1,129,854	20,602	53,097	55.6	4,789,343	2,831,046	595	..	43	6.7
		1959	5,060	1,032,819	1,035,062	18,344	48,696	55.9	4,296,910	2,378,259	565	20	50	7.9
	Norfolk & Western*	1960	2,722	641,370	653,512	22,564	35,244	56.3	3,436,011	1,899,049	151	4	20	11.4
		1959	2,724	628,287	649,004	31,978	33,041	56.6	3,158,483	1,734,787	197	35	26	10.1
	Rich., Fred. & Potomac	1960	110	28,327	28,327	514	1,934	67.4	131,880	58,170	11	4	..	..
		1959	110	30,287	30,287	501	1,992	68.1	130,624	55,155	13	2	..	..
Southern Region	Atlantic Coast Line	1960	5,563	559,354	559,354	6,044	21,935	59.8	1,683,457	788,241	102	24	1	.8
		1959	5,602	633,233	633,233	6,233	23,021	60.1	1,769,662	832,006	118	7	3	2.3
	Central of Georgia	1960	1,712	154,737	154,737	2,000	6,527	64.3	502,100	248,656	30	..	1	3.2
		1959	1,712	185,215	185,215	1,988	7,278	63.9	553,058	269,561	33	..	2	5.7
	Florida East Coast	1960	572	60,916	60,916	....	2,392	54.4	187,106	69,485	48	5	6	10.2
		1959	572	78,263	78,263	....	2,629	53.4	213,034	79,094	46	..	9	16.4
	Gulf, Mobile & Ohio	1960	2,717	245,790	245,790	54	13,195	67.6	945,536	463,441	86	..	5	5.5
		1959	2,717	261,163	261,163	74	14,817	68.7	1,033,570	503,444	86	..	5	5.5
	Illinois Central	1960	6,500	930,995	930,995	24,580	42,462	62.6	3,162,347	1,560,932	177	5	57	23.8
		1959	6,500	961,146	961,146	25,799	44,615	62.6	3,284,793	1,544,700	182	11	179	48.1
	Louisville & Nashville	1960	5,666	880,169	880,589	14,776	35,345	59.5	2,839,925	1,389,978	166	..	2	1.2
		1959	5,679	844,621	845,381	13,983	32,870	61.6	2,565,182	1,274,909	172	..	4	2.3
	Seaboard Air Line	1960	4,133	486,786	486,786	1,864	20,564	58.7	1,650,317	759,677	130	..	5	3.7
		1959	4,135	560,154	560,154	2,284	22,225	60.0	1,752,555	823,752	128	..	4	3.0
	Southern	1960	6,242	798,150	798,280	9,960	36,268	65.1	2,561,377	1,497,133	198	5	4	1.9
		1959	6,243	835,132	835,322	8,723	38,509	65.3	2,650,429	1,245,626	198	1	5	2.5
Northwestern Region	Chicago & North Western	1960	9,243	865,644	865,644	8,189	32,583	59.4	2,512,427	1,151,312	188	..	18	8.7
		1959	9,245	850,486	850,486	8,673	31,591	61.9	2,295,323	997,623	161	7	17	9.2
	Chicago Great Western	1960	1,437	133,636	133,636	194	6,671	65.5	479,604	225,037	24	..	3	11.1
		1959	1,437	131,862	131,862	216	6,691	66.7	476,416	225,897	24	..	3	11.1
	Chic., Milw., St. P. & Pac.	1960	10,588	828,830	836,402	9,312	38,602	62.0	2,803,411	1,244,950	163	12	4	2.2
		1959	10,591	851,053	860,237	12,606	41,262	64.5	2,828,095	1,230,077	320	13	9	2.6
	Duluth, Missabe & Iron Range	1960	575	98,811	99,010	256	5,044	50.8	559,253	336,173	63	39	7	6.4
		1959	556	22,566	22,593	185	399	50.3	38,377	19,362	49	26	3	3.8
	Great Northern	1960	8,268	957,679	962,249	27,114	42,437	63.4	3,232,329	1,542,106	284	..	4	1.4
		1959	8,279	942,959	946,992	21,177	41,194	65.5	2,980,933	1,380,014	273	7	7	2.4
	Minn., St. P. & S. Ste. Marie	1960	4,168	355,827	356,531	312	13,574	62.9	986,225	464,554	94	..	1	1.1
		1959	4,169	348,729	349,669	698	12,645	68.7	856,734	400,193	85	8	7	7.0
	Northern Pacific	1960	6,510	763,059	769,667	9,597	32,269	63.1	2,271,059	996,694	252	1	12	4.5
		1959	6,538	808,848	816,196	10,040	34,229	63.2	2,384,808	1,033,709	241	..	3	1.2
	Spokane, Portland & Seattle	1960	935	134,421	134,421	1,050	5,858	70.0	400,416	187,141	31	..	1	3.1
		1959	935	140,462	140,462	1,229	6,237	71.8	419,893	198,246	54	..	1	1.8
Central Western Region	Atch., Top. & S. Fe (incl. G. C. & S. F. and P. & S. F.)	1960	12,970	2,371,212	2,482,651	26,958	106,258	64.8	7,663,376	3,101,938	692	22	36	4.8
		1959	12,993	2,428,181	2,654,896	50,895	102,239	64.9	7,121,675	2,783,117	635	..	38	5.6
	Chic., Burl. & Quincy	1960	8,618	1,065,159	1,061,943	25,052	45,242	63.1	3,141,402	1,337,911	142	2	53	26.9
		1959	8,647	1,085,679	1,082,611	24,052	47,895	65.2	3,193,378	1,345,697	144	8	73	32.4
	Chic., Rock I. & Pac.	1960	7,525	831,865	833,948	958	33,013	62.9	2,482,744	1,078,104	195	1	10	4.9
		1959	7,508	865,484	866,825	1,852	34,977	64.7	2,477,792	1,070,233	186	..	9	4.6
	Denver & R. G. Western	1960	2,128	279,392	295,355	30,436	13,635	71.1	952,315	456,988	77	4	8	9.0
		1959	2,128	265,709	283,208	25,281	13,471	74.4	870,918	400,352	77	6	7	7.8
	Southern Pacific	1960	7,903	2,056,241	2,141,709	135,880	93,933	65.5	6,594,431	2,781,578	728	14	40	5.1
		1959	8,011	2,125,438	2,208,634	129,045	97,822	66.0	6,710,161	2,786,053	713	1	49	6.4
	Union Pacific	1960	9,746	1,989,808	2,009,322	50,368	99,591	65.8	6,614,438	2,721,211	343	58	65	13.9
		1959	9,743	2,154,126	2,173,966	52,936	105,416	65.7	6,818,931	2,686,342	358	24	97	20.3
	Western Pacific	1960	1,188	265,578	269,504	8,089	10,474	67.7	706,119	311,395	51	..	2	3.6
		1959	1,188	260,417	266,477	15,388	11,118	73.5	691,304	304,295	44	..	2	4.3
Southwestern Region	Kansas City Southern	1960	886	109,641	109,641	94	7,438	69.6	535,800	254,818	23	..	2	8.0
		1959	886	116,363	116,363	154	7,521	66.1	552,791	253,490	22	..	2	8.3
	Louisiana & Arkansas	1960	746	64,595	64,595	....	3,313	65.0	260,050	125,303	21	..	..	..
		1959	746	75,834	75,834	....	3,597	63.2	284,343	134,031	19	..	..	..
	Mo.-Kans.-Texas Lines	1960	2,915	224,818	224,818	2,003	9,624	62.7	744,534	330,940	73	..	..	..
		1959	2,916	191,083	191,083	1,887	9,398	62.9	692,762	306,633	58	..	2	3.3
	Missouri Pacific	1960	9,406	1,025,186	1,025,186	7,749	49,335	64.3	3,622,048	1,684,129	204	11	19	8.1
		1959	9,419	1,066,709	1,066,709	8,086	50,285	65.0	3,595,228	1,651,775	214	7	18	7.5
	St. Louis-San Francisco	1960	4,505	550,406	550,406	5,577	22,477	67.2	1,534,554	714,263	88	11	14	12.4
		1959	4,527	576,945	576,945	6,138	23,788	68.3	1,584,421	731,052	99	..	12	10.8
	St. Louis Southw. Lines	1960	1,554	314,148	314,148	3,649	13,774	71.8	895,819	409,444	49	..	1	2.0
		1959	1,554	315,222	315,222	3,998	13,540	74.3	833,369	372,528	51	..	1	1.9
	Texas & New Orleans	1960	4,078	529,331	529,331	194	26,282	68.3	1,798,954	845,464	129	..	4	3.0
		1959	4,148	601,069	601,069	633	27,277	68.2	1,881,108	888,112	138	..	3	2.1
	Texas & Pacific	1960	1,819	242,218	242,218	2,282	11,468	63.3	851,137	342,026	37	..	2	5.1
		1959	1,822	282,594	282,594	2,621	12,074	65.1	861,743	340,838	37	..	3	7.5

For the Month of September 1960 Compared with September 1959

Region	Road and Year		Freight cars on line: Home	Foreign	Total	Per Cent B.O.	G.t.m. per train-hr. excl. locos and tenders	G.t.m. per train-mi. excl. locos and tenders	Net ton-mi. per train-mile	Net ton-mi. per l'd car-mile	Net ton-mi. per car-day	Car-miles per car-day	Net daily ton-mi. per road-mi.	Train-miles per train-hour	Miles per loco. per day
New Eng. Region	Boston & Maine	1960	2,158	7,347	9,505	3.2	38,978	2,518	1,054	30.4	750	39.8	4,535	15.5	87.7
		1959	2,029	7,580	9,609	4.1	38,060	2,497	1,047	29.1	729	39.3	4,511	15.3	70.9
	N. Y., N. H. & Hartfd	1960	3,584	13,030	16,614	6.9	38,605	2,579	1,033	27.4	442	25.2	4,235	15.0	125.6
		1959	3,151	13,151	16,302	7.7	37,381	2,457	1,013	26.5	479	27.3	4,465	15.2	136.8
Great Lakes Region	Delaware & Hudson	1960	4,950	5,015	9,965	12.9	61,324	3,505	1,873	38.0	840	34.1	10,619	17.5	96.5
		1959	3,761	4,284	8,045	14.2	62,733	3,679	1,851	35.6	926	39.8	10,843	17.1	127.1
	Del., Lack. & Western	1960	4,934	8,969	13,903	11.6	54,030	3,016	1,261	29.1	658	34.6	9,270	18.2	140.6
		1959	5,959	8,038	13,997	14.1	51,172	3,004	1,237	28.2	612	33.6	8,949	17.3	132.3
	Erie	1960	10,135	15,033	25,168	12.0	76,323	3,540	1,365	24.4	976	57.9	10,887	21.7	116.3
		1959	11,782	13,340	25,122	8.3	71,002	3,416	1,311	23.4	837	51.1	9,230	21.0	102.6
	Grand Trunk Western	1960	5,683	5,705	11,388	7.2	50,406	2,252	919	28.8	306	17.3	3,592	22.6	85.5
		1959	5,323	7,017	12,340	6.4	51,537	2,295	913	28.0	446	26.2	5,988	22.5	95.2
	Lehigh Valley	1960	7,441	8,008	15,449	17.3	64,875	3,188	1,423	30.5	572	29.0	7,616	20.6	202.7
		1959	6,702	6,932	13,634	13.0	63,216	3,058	1,377	30.6	607	30.3	7,329	20.8	210.6
	New York Central	1960	64,923	77,418	142,341	10.6	61,971	3,506	1,552	34.6	703	33.7	9,529	17.9	151.1
		1959	67,984	65,719	133,703	8.8	57,650	3,356	1,407	31.6	581	30.5	7,484	17.3	142.6
	New York, Chic. & St. L.	1960	10,707	15,326	26,033	11.4	59,345	3,453	1,543	32.6	1,131	53.5	13,419	17.5	193.0
		1959	11,500	11,220	22,720	15.8	57,629	3,274	1,392	29.5	987	51.6	10,312	17.8	132.6
	Pitts. & Lake Erie	1960	8,767	4,531	13,298	8.0	71,409	4,635	2,809	57.5	342	9.3	20,208	15.6	100.5
		1959	9,911	1,492	11,403	5.5	71,509	4,217	2,267	51.2	132	4.7	6,818	17.0	30.0
	Wabash	1960	6,992	9,873	16,865	11.2	82,304	3,507	1,458	29.3	1,169	62.5	8,324	23.5	125.7
		1959	10,074	6,641	16,715	11.8	76,191	3,375	1,371	27.3	1,035	57.5	7,239	22.6	115.2
Central Eastern Region	Baltimore & Ohio	1960	62,071	35,929	98,000	21.6	59,704	3,764	1,798	41.0	789	31.7	13,169	16.2	122.1
		1959	67,164	32,428	99,592	21.5	54,360	3,414	1,625	39.1	626	26.0	10,699	16.1	98.9
	Bessemer & Lake Erie	1960	3,840	2,376	6,216	9.3	66,602	4,980	3,209	75.9	505	11.0	17,028	15.9	113.4
		1959	8,484	977	9,461	4.5	30,927	1,876	1,011	52.7	64	2.1	2,979	17.8	52.4
	Central RR Co. of New Jersey	1960	3,839	9,654	13,493	19.0	46,336	3,339	1,776	41.2	446	16.6	9,966	14.4	78.0
		1959	4,114	9,470	13,584	19.0	41,620	3,001	1,590	40.6	397	15.0	8,905	14.4	76.6
	Chicago & Eastern Ill.	1960	3,718	3,206	6,924	12.3	67,342	3,887	1,978	41.3	1,030	40.9	7,580	17.5	111.2
		1959	3,337	2,905	6,242	22.0	74,221	4,144	2,166	42.2	1,089	40.8	7,917	18.1	121.4
	Elgin, Joliet & Eastern	1960	7,190	5,257	12,447	5.8	24,939	3,185	1,749	46.3	216	7.6	13,608	8.1	49.5
		1959	8,669	2,730	11,399	4.5	22,154	2,947	1,589	42.4	142	5.2	7,688	7.7	31.8
	Pennsylvania System	1960	104,052	71,171	175,223	15.9	54,979	3,336	1,579	36.4	710	31.0	11,710	17.0	120.8
		1959	117,502	76,720	194,222	15.8	56,511	3,276	1,466	31.9	532	25.9	10,509	17.7	118.8
	Reading	1960	12,641	14,281	26,922	14.2	51,553	3,485	1,890	56.1	640	19.6	14,365	14.8	77.4
		1959	19,837	11,328	31,165	22.7	51,495	3,310	1,711	44.0	426	16.4	10,411	15.6	59.5
	Western Maryland	1960	6,523	4,158	10,681	7.6	50,970	4,304	2,462	50.4	1,100	33.8	14,202	12.1	143.7
		1959	7,934	2,012	9,946	9.0	46,991	3,300	1,701	45.1	521	19.9	6,560	14.4	116.5
Pocahontas Region	Chesapeake & Ohio	1960	62,696	30,059	92,755	7.1	71,330	4,267	2,522	53.3	1,036	34.9	18,650	16.8	65.0
		1959	62,441	27,258	89,699	6.9	76,235	4,182	2,315	48.8	858	31.4	15,667	18.3	60.2
	Norfolk & Western*	1960	51,047	6,875	57,922	1.8	91,301	5,454	3,014	53.9	1,068	35.2	23,256	17.0	148.2
		1959	54,895	10,891	65,786	4.2	87,507	5,110	2,807	52.5	867	29.2	21,228	17.4	101.2
	Rich., Fred. & Potomac	1960	161	1,152	1,313	2.1	86,252	4,667	2,059	30.1	1,144	71.2	17,627	18.5	69.9
		1959	103	935	1,038	2.0	88,022	4,324	1,826	27.7	1,676	88.8	16,714	20.4	74.2
Southern Region	Atlantic Coast Line	1960	19,162	16,723	35,885	4.9	49,623	3,017	1,413	35.9	733	34.1	4,723	16.5	165.9
		1959	19,086	17,866	36,952	4.4	47,957	2,804	1,318	36.1	757	34.9	4,951	17.2	191.3
	Central of Georgia	1960	3,934	5,165	9,099	5.0	56,352	3,248	1,609	38.1	939	38.3	4,841	17.4	182.9
		1959	3,712	5,544	9,256	4.1	52,418	2,988	1,456	37.0	972	41.1	5,248	17.6	198.2
	Florida East Coast	1960	698	3,093	3,791	.8	53,906	3,072	1,141	29.0	666	42.1	4,049	17.5	38.3
		1959	573	2,845	3,418	.4	48,582	2,722	1,011	30.1	813	50.6	4,609	17.8	52.2
	Gulf, Mobile & Ohio	1960	6,576	9,811	16,387	6.8	74,212	3,850	1,887	35.1	951	40.1	5,686	19.3	98.1
		1959	6,591	9,923	16,514	5.5	75,681	3,960	1,929	34.0	1,017	43.5	6,176	19.1	104.3
	Illinois Central	1960	25,063	25,423	50,486	2.7	60,132	3,418	1,629	35.5	1,015	45.7	7,728	17.7	145.0
		1959	24,937	27,443	52,380	4.3	60,332	3,436	1,616	34.6	1,020	47.1	7,922	17.7	97.4
	Louisville & Nashville	1960	35,808	17,418	53,226	10.9	55,684	3,235	1,583	39.3	875	37.4	8,177	17.3	193.7
		1959	33,968	16,347	50,315	10.9	53,555	3,050	1,516	38.8	839	35.1	7,483	17.6	184.1
	Seaboard Air Line	1960	17,164	12,517	29,681	4.5	58,061	3,454	1,590	36.9	863	39.8	6,127	17.1	140.3
		1959	16,723	13,609	30,332	3.5	58,438	3,185	1,497	37.1	915	41.2	6,641	18.7	165.7
	Southern	1960	20,173	30,068	50,241	3.7	55,820	3,213	1,878	41.3	1,001	37.2	7,995	17.4	147.3
		1959	20,448	28,167	48,615	4.0	56,229	3,180	1,494	32.3	858	40.6	6,651	17.7	154.2
Northwestern Region	Chicago & North Western	1960	22,133	28,150	50,283	8.6	47,898	2,911	1,334	35.3	750	35.7	4,152	16.5	152.6
		1959	21,580	27,321	48,901	5.2	49,355	2,705	1,176	31.6	682	34.9	3,597	18.3	166.9
	Chicago Great Western	1960	2,138	4,176	6,314	3.8	66,630	3,591	1,685	33.7	1,177	53.3	5,220	18.6	178.7
		1959	2,361	3,831	6,192	3.7	68,010	3,614	1,714	33.8	1,193	52.9	5,240	18.8	176.2
	Chic., Milw., St. P. & Pac.	1960	28,838	23,484	52,322	5.9	67,497	3,391	1,482	31.7	753	38.3	3,856	20.0	171.3
		1959	28,619	24,672	53,291	4.1	67,313	3,332	1,449	29.8	751	39.1	3,871	20.3	90.9
	Duluth, Missabe & Iron Range	1960	13,181	1,132	14,313	1.5	92,668	6,189	3,720	66.6	787	23.2	19,488	16.4	37.8
		1959	13,791	442	14,233	1.4	30,123	1,765	891	48.5	45	1.9	1,161	17.7	11.3
	Great Northern	1960	25,215	21,861	47,076	2.7	67,434	3,410	1,627	36.3	998	43.3	6,217	20.0	124.3
		1959	24,985	19,205	44,190	2.8	65,330	3,187	1,475	33.5	985	44.9	5,556	20.7	121.9
	Minn., St. P. & S. Ste. Marie	1960	7,091	8,377	15,468	8.2	52,088	2,778	1,309	34.2	1,017	47.3	3,715	18.8	137.7
		1959	6,781	6,161	12,942	6.2	49,559	2,470	1,154	31.6	964	44.4	3,200	20.2	128.4
	Northern Pacific	1960	19,483	15,758	35,241	2.7	62,327	2,983	1,309	30.9	880	45.1	5,103	20.9	104.6
		1959	18,574	16,407	34,981	2.8	61,129	2,950	1,279	30.2	934	49.0	5,270	20.7	120.7
	Spokane, Portland & Seattle	1960	1,550	4,548	6,098	3.0	41,933	2,980	1,396	31.9	1,017	45.4	6,672	14.1	166.2
		1959	1,604	4,890	6,494	2.4	44,264	3,001	1,419	31.8	1,031	45.2	7,068	14.8	96.4
Central Western Region	Atch., Top. & S. Fe (incl. G. C. & S. F. and P. & S. F.)	1960	56,277	35,567	91,844	5.4	81,525	3,237	1,310	29.2	1,139	60.2	7,972	25.2	119.6
		1959	52,423	35,341	87,764	3.7	72,531	2,947	1,152	27.2	1,059	59.9	7,140	24.7	142.8
	Chic., Burl. & Quincy	1960	25,911	23,744	49,655	4.9	65,178	2,960	1,261	29.6	913	48.9	5,175	22.1	195.2
		1959	22,487	19,237	41,724	4.0	64,458	2,951	1,244	28.1	1,095	59.8	5,188	21.9	176.2
	Chic., Rock I. & Pac.	1960	14,668	20,655	35,323	5.8	62,167	2,992	1,299	32.7	1,006	49.0	4,776	20.8	147.3
		1959	14,517	22,393	36,910	4.4	60,044	2,871	1,240	30.6	996	50.3	4,752	21.0	161.0
	Denver & R. G. Western	1960	7,989	6,890	14,879	5.3	69,284	3,416	1,639	33.5	970	40.7	7,158	20.3	130.4
		1959	8,485	6,123	14,608	5.6	70,218	3,288	1,512	29.7	883	40.0	6,271	21.4	117.1
	Southern Pacific	1960	29,186	36,006	65,192	1.9	73,528	3,241	1,367	29.6	1,375	70.9	11,732	22.9	106.0
		1959	31,520	44,023	75,543	2.4	68,508	3,194	1,326	28.5	1,224	65.1	11,593	21.7	113.3
	Union Pacific	1960	33,808	32,602	66,410	2.0	93,717	3,355	1,380	27.3	1,382	76.8	9,307	28.2	152.2
		1959	33,134	34,412	67,546	1.8	89,552	3,192	1,257	25.5	1,328	79.3	9,191	28.3	163.1
	Western Pacific	1960	2,445	2,502	4,947	5.5	75,327	2,672	1,178	29.7	1,881	93.5	8,737	28.3	170.7
		1959	2,587	2,943	5,530	3.9	74,744	2,670	1,175	27.4	1,818	90.4	8,538	28.2	210.4
Southwestern Region	Kansas City Southern	1960	2,317	5,172	7,489	5.2	97,294	4,892	2,326	34.3	1,137	47.7	9,587	19.9	176.2
		1959	2,515	5,378	7,893	5.1	97,891	4,772	2,188	33.7	1,075	48.2	9,537	20.6	185.7
	Louisiana & Arkansas	1960	1,835	3,117	4,952	8.1	79,721	4,036	1,945	37.8	835	33.9	5,599	19.8	137.8
		1959	2,189	3,039	5,228	6.3	73,875	3,764	1,774	37.3	862	36.6	5,989	19.7	160.2
	Mo.-Kans.-Texas Lines	1960	4,816	6,640	11,456	11.5	59,430	3,315	1,474	34.4	959	44.5	3,784	17.9	112.3
		1959	4,782	6,237	11,019	8.8	57,711	3,632	1,608	32.6	886	43.2	3,505	15.9	115.9
	Missouri Pacific	1960	23,221	27,064	50,285	6.5	71,259	3,545	1,648	34.1	1,200	54.7	5,968	20.2	163.9
		1959	22,937	26,996	49,933	6.8	68,575	3,385	1,555	32.8	1,165	54.6	5,846	20.3	171.5
	St. Louis-San Francisco	1960	9,005	11,163	20,168	1.1	56,438	2,805	1,305	31.8	1,156	54.2	5,285	20.2	184.1
		1959	11,085	10,785	21,870	1.5	55,316	2,760	1,273	30.7	1,115	53.1	5,383	20.1	191.5
	St. Louis Southw. Lines	1960	1,899	4,898	6,797	3.2	68,582	2,860	1,278	29.1	2,148	103.0	8,590	24.1	228.1
		1959	2,040	4,066	6,106	2.0	62,509	2,655	1,187	27.5	2,157	105.5	7,991	23.6	216.8
	Texas & New Orleans	1960	6,858	15,122	21,980	2.3	78,127	3,414	1,604	32.2	1,374	62.5	6,911	23.0	142.3
		1959	6,181	14,579	20,760	2.1	72,877	3,146	1,486	32.6	1,416	63.8	7,137	23.3	151.1
	Texas & Pacific	1960	3,593	5,354	8,947	6.2	81,161	3,539	1,422	29.8	1,303	69.0	6,268	23.1	225.4
		1959	3,300	6,171	9,471	3.8	72,179	3,061	1,211	28.2	1,225	66.7	6,236	23.7	253.6

* Includes operations of Virginian Ry. Co., merged into Norfolk & Western Ry. Co., December 1, 1959.
Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission. Subject to revision.

RATE DIFFERENTIAL

(*Continued from page 10*)

fic to a threatened private truck-barge movement by Solvay.

Pointing up how far it is disposed to go in permitting railroads to meet the competition of private carriage, the Commission majority approved the cut in the face of cost evidence indicating that the yield from the reduced rate would fail to cover MP's out-of-pocket costs by 35.5 cents per ton. To justify its conclusion the majority discounted that showing by raising doubts as to some of the cost data and other rationalization.

This was too much for Mr. Freas, who filed a dissent in which Commissioner Winchell joined. Citing the majority's statement that it "feels certain" that the estimates or averages exceed the actual costs, the dissent went on to argue that such matters should not be determined on the basis of "feeling," which is "not a proper substitute for informed judgment supported by evidentary facts of record."

Also, Messrs. Freas and Winchell recorded their inability to subscribe to the majority's enunciation of what the dissent called "a new and different standard" holding that there should be "a clear conviction that the respondent has failed in its burden of proof that the proposed rate is just and reasonable" before it may be disapproved in the circumstances presented. The dissenters continued:

"Do the words 'clear conviction' intend to convey the equivalent of 'beyond a reasonable doubt'? And does this test now replace the one usually applied, requiring merely a 'preponderance' of the evidence which has always been sufficient? There appears to be no warrant in the statute for such exception nor for a finding in the negative form suggested. On the contrary, the provisions of the act are clear and unambiguous in placing the affirmative responsibility upon the carrier to justify a change in rates, with a concommitant affirmative responsibility upon the Commission to find whether this burden has been met."

Another dissent came from Commissioner Murphy, who would not have allowed such a big rate cut. He did not agree that the railroad costs were overstated to the extent indicated by the majority. The dissent of Commissioner McPherson was noted, and brief concurring expressions came from Commissioners Hutchinson and Webb. Thus the majority report reflected the view of only four commissioners.


Waring A. Eddy
GTW


E. T. Rose
GTW


Charles H. Pernter
N&W


Richard H. Ligon
N&W


Joseph D. Bond
Soo Line


Fordyce W. Crouch
Soo Line


Ross L. Thorfinnson
Soo Line


M. I. LaBelle
Soo Line


Thomas R. Klingel
Soo Line


J. N. Albertson
SP

People in the News

CHICAGO & NORTH WESTERN.—W. J. Weatherall appointed general superintendent-car department, Chicago.

ELGIN, JOLIET & EASTERN.— R. L. Wilson appointed administrator—organization planning and salary administration, Chicago.

Industrial Development Department placed under jurisdiction of vice president-traffic.

Land and Tax Department placed under jurisdiction of secretary and treasurer.

W. E. Deaton, assistant to president, will have jurisdiction over public relations and publication of the "J-Milepost." He will maintain offices in Joliet, Ill., and will be available for consultation regarding industrial development and land and tax matters.

FORT WORTH & DENVER.—P. F. Thomas, superintendent, Joint Texas division, Teague, Tex., retired Dec. 31, 1960.

L. G. Key appointed land and tax commissioner, Forth Worth, Tex., succeeding **H. E. Goodwin,** who retired Dec. 31, 1960.

Jack Hoge named principal assistant engineer, Fort Worth, to replace **W. C. Oest,** retired.

GRAND TRUNK WESTERN.—Waring A. Eddy, superintendent, Chicago division, Battle Creek, Mich., promoted to general superintendent of transportation, Detroit, Mich., succeeding **Harry A. Sanders,** named vice president and general manager (RA, Dec. 19/26, 1960, p. 50). **E. T. Rose,** work study officer, Detroit, replaces Mr. Eddy.

GULF, MOBILE & OHIO.—H.O. Wolfe, purchasing agent, appointed manager of purchases and stores, to replace **H. E. Warren,** vice president, purchases and stores, retired. **C. T. Verbeck,** assistant purchasing agent, succeeds Mr. Wolfe.

ILLINOIS CENTRAL. — Emanuel J. Mounes, foreign freight agent, New Orleans, appointed general traffic agent there, to succeed **Andrew J. Moore,** who retired Dec. 31. **James W. Hughes,** general agent, New Orleans named to succeed Mr. Mounes, and in turn is replaced by **Holman L. Michaelis,** commercial agent.

ILLINOIS TERMINAL.—W. L. Myers appointed assistant general freight agent—rates and tariffs, St. Louis, Mo., succeeding **H. F. Simmons,** who has accepted a position in private industry.

KANSAS CITY SOUTHERN.—C. M. Martin appointed superintendent of transportation, Shreveport, La., succeeding **R. R. Sutter,** who retired Dec. 31. Office of superintendent, Pittsburg, Kan., abolished, and all matters formerly handled by that office are now under jurisdiction of the office of superintendent, Shreveport.

W. E. Carry appointed advertising manager, to succeed **C. H. Taylor,** resigned to establish the Taylor Advertising Agency.

MILWAUKEE.—John H. Andrews, general freight claim agent, Chicago, has relinquished that position and will serve as consultant. **A. H. Ducret,** freight claim agent, named to replace Mr. Andrews. **H. W. Kirch,** assistant general freight claim agent, Chicago, assigned additional duties. **H. R. Whatmore,** western freight claim agent, Seattle, appointed freight claim agent there. **W. A. Stewart,** assistant freight claim agent, Chicago, named freight claim agent at that point. **R. M. Levey, Jr.,** chief clerk in the freight claim department, Chicago, named assistant freight claim agent there.

MISSOURI PACIFIC.—Robert A. Griesman appointed general agent, Milwaukee, Wis., to succeed **Carl A. Becker,** promoted (RA, Dec. 19/26, p. 50).

L. H. Miller, trainmaster, San Antonio Terminal and Austin subdivision, San Antonio, Tex., appointed assistant superintendent, St. Louis Terminal division (west side of river), St. Louis, succeeding **F. M. Crump,** deceased. **G. R. Johnson,** trainmaster, San Antonio, succeeds Mr. Miller, and in turn is replaced by **R. F. Kennedy,** assistant trainmaster, Gurdon, Ark. **Robert D. Pierce, Sr.,** division freight and passenger agent, Atchison, Kan., retired Jan. 10.

MONON.—This road has appointed **Grabin-Shaw Advertising, Inc.,** Chicago-Milwaukee, as its agency, effective Jan. 1.

NICKEL PLATE.—Herbert M. Young appointed division freight agent, Erie, Pa., succeeding the late **Harold G. Reichel.**

O. D. S. Getzfread, general agent, Boston, Mass., appointed general New England freight agent there, with supervision over sales agencies at New Haven, Conn., and Boston. **Walter A. George,** general agent—perishables, Boston, succeeds Mr. Getzfread. **Jacques Gross** appointed general agent, Baltimore, Md., succeeding **Lyle F. MacMillan,** transferred to the newly established sales and service office at 201 College Plaza, 47 College Street, New Haven.

NORFOLK SOUTHERN.—Roy W. Chapman, special accountant, accounting department, elected to the newly created position of assistant comptroller, Norfolk, Va.

NORFOLK & WESTERN.—Isaac Newton Moseley, research and test engineer, retired Nov. 30. **Robert M. Pilcher,** assistant engineer of tests, named to the new position of engineer of tests.

Fred L. Donaher, coal traffic manager—service, Roanoke, Va., named coal traffic manager—engineering. **Thomas C. Hamill** succeeds Mr. Donaher.

The following retired Dec. 31: **Nathaniel R. Lehmann,** assistant vice president—traffic, Roanoke; **Edwin F. Stone,** assistant freight traffic manager, New York; **William A. Cermany,** general foreign freight agent, New York; **Ernest J. Goggin,** assistant passenger traffic manager, Roanoke; **Thomas W. Quinn,** general agent, Charlotte, N.C.; **James C. Seymour,** general agent, Wilmington, N.C., **H. Frank Kinstler,** general agent, Minneapolis; **Louis W. Geis,** general agent, Indianapolis; **John F. Wissel,** district freight agent, Chicago.

Charles H. Pernter, general freight traffic manager, appointed assistant vice president—rates (other than coal and coke traffic), succeeding **N. R. Lehmann,** who retired Dec. 31. **Richard H. Ligon,** freight traffic manager, promoted to general freight traffic manager—rates and divisions (other than coal and coke traffic). **John R. McMichael,** assistant freight traffic manager, named assistant general freight traffic manager. **J. Frank Smith,** assistant freight traffic manager, appointed freight traffic manager, trunk line. **Richard B. Pleasants,** assistant freight traffic manager, named freight traffic manager, central

(Continued on page 102)

People in the News

(*Continued from page 100*)

territory. **Lawrence P. Murray,** assistant general freight agent, appointed freight traffic manager—divisions and miscellaneous. **Raymond H. Hill, Jr.,** chief of divisions bureau, named freight traffic manager—southern territory. **Aubrey T. Mason,** assistant to freight traffic manager, appointed assistant freight traffic manager—piggyback. **John T. Adams, Jr.,** assistant general freight agent, named assistant freight traffic manager—trunk line. **Lawrence E. Brett,** assistant general freight agent, appointed assistant freight traffic manager—transit and miscellaneous. **W. Harry Crumpler,** chief clerk to assistant freight traffic manager, appointed assistant freight traffic manager—southern territory. **Howard E. Tuttle,** assistant commerce agent, promoted to chief of divisions bureau. **Samuel K. Snedegar, Jr.,** chief clerk to assistant freight traffic manager, named assistant commerce agent.

NORTHERN PACIFIC.—Richard Roth, traveling freight and passenger agent, Spokane, Wash., named general agent, Missoula, Mont., succeeding the late **E. J. Stiles.**

PACIFIC FRUIT EXPRESS.—Effective Jan. 1, the address of **A. L. Hamilton,** Canadian general agent, will be 44-46 United Fruit and Produce Terminal, 775 Cremazie Blvd., West, Montreal 9, Que., Can.

REA EXPRESS.—James P. Coyne has joined the advertising and public relations staff as manager, editorial services, New York. Mr. Coyne was formerly a public relations writer for the Chamber of Commerce of the United States in Washington, D.C.

Gerald E. Loudenback, district sales manager, Detroit, Mich., transferred to Indianapolis, Ind. **George R. Marz,** district sales manager, Newark, N.J., transferred to Detroit, succeeding **William A. Meyers,** named assistant director, sales, Detroit. **George L. O'Neil,** government traffic representative, New York, succeeds Mr. Marz in Newark.

RICHMOND, FREDERICKSBURG & POTOMAC.—William M. Tribble, assistant trainmaster, named terminal trainmaster, Richmond, Va.

ROCK ISLAND.—Cornelius P. Bradley, assistant passenger traffic manager, Chicago, retired Dec. 31.

RUTLAND.—Ray I. Neva, district sales manager, Chicago, promoted to sales manager, Western region.

SEABOARD.—R. S. Lockhart, district freight agent, Charlotte, N. C., appointed assistant freight traffic manager there, succeeding **C. M. Bonner,** retired. **E. W. Long, Jr.** succeeds Mr. Lockhart.

R. O. Cason, division freight agent, appointed assistant general freight agent, Atlanta, Ga.

W. E. Bedinger, division engineer, Atlanta, retired Dec. 31.

SOO LINE.—G. Allan MacNamara, president, MStP&SSM, elected chairman of the board of the new Soo Line (RA Jan. 9, p. 7). **Leonard H. Murray,** president, DSS&A, elected president and chief executive officer. **Joseph D. Bond,** vice president, MStP&SSM, elected executive vice president. **Thomas M. Beckley,** general counsel and secretary, DSS&A, elected secretary. **Oliver J. Andersen,** treasurer, MStP&SSM, WC, DSS&A, elected

treasurer. Mr. Beckley appointed assistant to president.

Fordyce W. Crouch, vice president and general counsel, MStP&SSM, elected vice president and general counsel. **Ross L. Thorfinnson,** vice president, traffic, MStP&SSM, retains that position. **M. I. LaBelle,** comptroller, MStP&SSM, WC, DSS&A, elected vice president, accounting. **Thomas R. Klingel,** chief engineer, MStP&SSM, elected vice president, operations and maintenance.

Laurence V. Johnson, general manager, MStP&SSM, appointed director of special studies. **Walter G. Anderson,** manager of personnel, MStP&SSM, and DSS&A, named director of personnel. **Paul E. LaCosse,** trainmaster, DSS&A, appointed assistant director of personnel. **Wallace W. Abbey,** director of public relations, MStP&SSM, retains that title. **Clarence H. Juettner,** assistant secretary, MStP&SSM, and **William Leicester,** assistant treasurer, MStP&SSM and DSS&A, will continue to hold those titles.

John F. Wegner, superintendent, MStP&SSM, named general superintendent. **Thomas F. Kearney,** general mechanical superintendent, DSS&A, becomes chief mechanical officer. **Arthur S. Krefting,** assistant chief engineer, bridges and structures, MStP&SSM, appointed chief engineer. **Bernhardt J. Pederson,** superintendent of transportation, DSS&A, appointed superintendent, Marquette, Mich. **Donald L. Hart,** assistant manager, personnel and safety, MStP&SSM, named superintendent, Stevens Point, Wis. **T. Louis Hildebrand,** supervisor of safety and fire prevention, DSS&A, appointed supervisor of safety.

Andrew T. Haugen, assistant comptroller, MStP&SSM, becomes comptroller. **Russell M. Olson,** assistant comptroller, MStP&SSM and DSS&A, named manager, integrated data processing. **Howard E. Sidnam,** assistant chief accounting officer, WC, appointed assistant comptroller. **Robert R. Galligan,** vice president—accounts, secretary and treasurer, WC, appointed special assistant to vice president, accounting. **Wilbur J. Olson,** chief methods analyst, MStP&SSM, becomes assistant manager, integrated data processing.

Irving L. Fardal, superintendent, MStP&SSM, named chief of investigation and protection.

Edward W. Beyer named manager, North Fond du Lac shops.

At Marquette, Mich.: **Bertel E. Pearson,** chief engineer, DSS&A, named division engineer. **Walter E. Knutson,** mechanical supervisor, MStP&SSM, and **Walter M. Olds** (MStP&SSM), become trainmasters. **Gerald A. Nielson,** assistant division engineer. **Francis Weingartner,** assistant engineer.

At Minneapolis: **Allan W. Durtsche,** mechanical supervisor, MStP&SSM, named terminal supervisor, Shoreham yard. Mechanical Department: (All formerly with MStP&SSM) **Eugene R. Henkel,** superintendent, motive power, becomes manager, Shoreham shops. **Herbert H. Link,** master mechanic, named chief diesel supervisor, Shoreham. **Roy D. Johnson,** supervisor, standards and methods, appointed diesel supervisor, lines west of Minneapolis. **Francis A. Weiss,** superintendent, locomotive shops, named assistant manager, Shoreham shops. Engineering Department: (All formerly with MStP&SSM) **Raymond C. Postels,** engineer-maintenance of way, appointed assistant chief engineer, maintenance of way. **Bernard F. McGowan,** superintendent, signals, named assistant chief engineer, signals and communications. **A. Donald Alderson,** assistant to chief engineer, becomes assistant chief engineer, bridges and structures. **Godfrey H. McMillan,** engineer, bridges and structures, named assistant to chief engineer. **Donald I. Kjellman** appointed chief draftsman.

At Schiller Park, Ill.: **Clayton A. Jacobs,** traveling engineer, MStP&SSM, becomes terminal supervisor, Schiller Park yard.

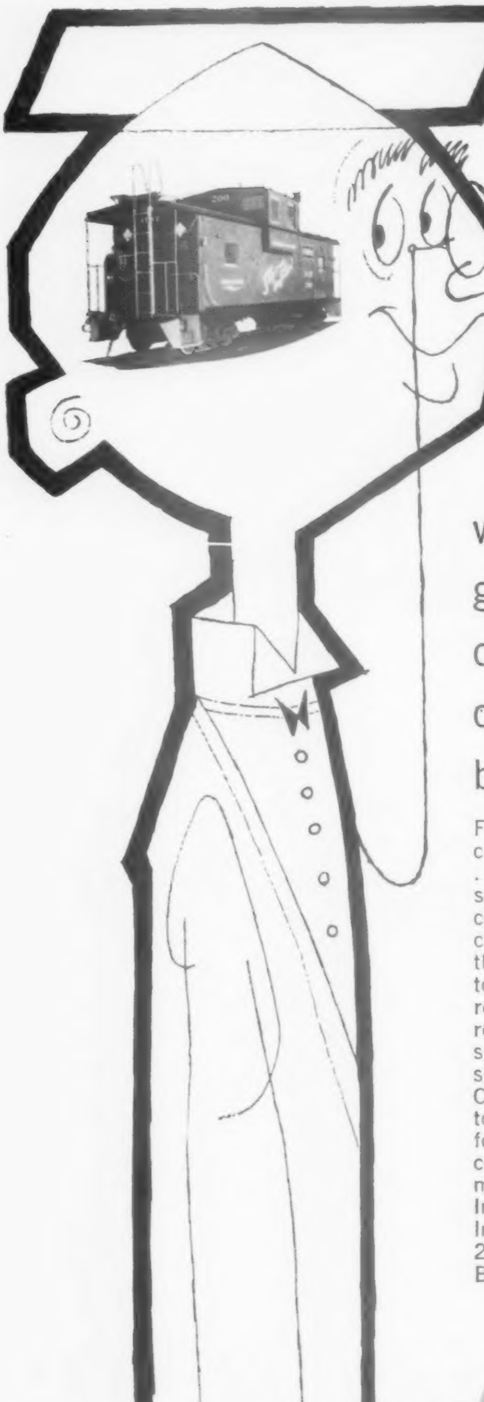
At Stevens Point, Wis.: **John Benz,** mechanical supervisor, MStP&SSM, named diesel supervisor, lines east of Minneapolis.

At Superior, Wis.: (All formerly with MStP&SSM) **Howard J. Sindahl,** traveling engineer, named trainmaster. **Kermit R. Bovee,** terminal superintendent, appointed terminal trainmaster. **Arthur G. Smith,** division engineer, named assistant division engineer.

The former DSS&A, together with most of the Gladstone division of the former MStP&SSM, will be operated as the DSS&A division of the new Soo Line, with headquarters at Marquette. The line of the former Gladstone division from Rhinelander to Weyerhauser, Wis., assigned to the Minneapolis-Duluth division, with headquarters at Superior.

SOUTHERN—**Leo V. C ane,** assistant vice president, Washington, D. C., retired Jan. 1.

The following appointments (Rates and Divisions) have been made: **F. C. Toal,** assistant vice president, Washington; **S. R. Goodman,** general freight traffic manager, Washington; **C. D. Thomas,** general freight traffic manager, Atlanta, Ga.; **D. Kirkpatrick,** assistant general freight traffic manager, Atlanta; **A. C Henderson,** assistant general freight traffic manager, Washington; **R. W. Ellerman,** freight traffic manager, Washington; **M. K. Martin,** assistant freight traffic



manager, Washington; **T. L. Smith,** general freight agent, Washington.

Andrew L. Bay, assistant to freight traffic manager, Washington, appointed assistant freight traffic manager there, succeeding **L. C. Adcock,** retired.

SOUTHERN PACIFIC.—J. N. Cetinich appointed assistant to general manager, San Francisco.

W. Perry Spackman named district passenger and public relations representative, San Francisco district.

J. N. Albertson, assistant general superintendent communications—system, appointed general superintendent of communications—system, San Francisco and Houston, Tex., to succeed **A. E. DeMattei,** who retired Dec. 31.

L. D. Blake named assistant manager, contract department, San Francisco, replacing **B. Faraudo,** retired.

Paul B. Adams and **Robert S. Kilpatrick** appointed general water and fuel supervisors, San Francisco.

E. J. Hannan appointed administrative assistant on the staff of the general auditor, San Francisco.

SOUTHWESTERN RAILROAD PASSENGER ASSN. —Earl B. Padrick, chairman of the Trans-Continental and Western Railroad Passenger Associations, also elected chairman of the Southwestern association. New headquarters of the association, formerly at St. Louis, will be Room 436, Union Station, Chicago 6.

TERMINAL RAILROAD ASSN. OF ST. LOUIS.— W. E. Howald appointed vice president and secretary. **Frank G. Wherry** named comptroller and assistant secretary.

TEXAS & NEW ORLEANS.—S. N. Martin appointed trainmaster, Houston, Tex.

UNION PACIFIC.—C. O. Jett, system communications engineer, Omaha, Neb., appointed assistant superintendent communications, succeeding **John E. Fitzpatrick,** who retired Dec. 1. **H. E. Froyd,** traffic supervisor, communications department, Los Angeles, named to replace Mr. Jett.

Raymond G. Owen, assistant freight traffic manager, San Francisco, retired Dec. 31, 1960. **Joseph A. Golobick,** director of sales relations, Omaha, Neb., appointed general freight and passenger agent, San Francisco, succeeding **Bernard P. Costello,** named assistant traffic manager there.

Supply Trade

John W. Porter, vice president in charge of sales, **General Railway Signal Co.,** Rochester, N. Y., has been appointed executive vice president. **Louis T. Freed,** western manager, has been named sales manager in charge of United States and Canadian sales, with offices in Rochester. **Howard C. Palmer,**

John W. Porter
GRS

Louis T. Freed
GRS

assistant western manager, has been appointed western manager, at Chicago.

A. J. Slosser has been named manager of the newly created department of Railroad Adhesive Sales for **Armstrong Cork Co.,** Lancaster, Pa. Mr. Slosser was formerly manager of industrial adhesives sales.

Fansteel Metallurgical Corp., North Chicago, Ill., has announced formation of a wholly-owned subsidiary, **Fansteel A. G.** incorporated in Switzerland.

W. Ashley Gray, Jr., vice president-railroad sales, **General Steel Castings Corp.,** has been appointed vice president and assistant to the president. **Richard L. Lich** named assistant vice president. **Thomas C. Barton** has been named manager-western sales, Granite City, Ill. **Delancey J. Davis** appointed general manager, **Frank W. Tolan,** manager-eastern sales, and **Clemson N. Page,** district manager-railroad sales, all at Eddystone, Pa. **William A. Curran** appointed general manager, Avonmore, Pa.

St. Louis Car Co., a General Steel subsidiary, has announced appointment of **James Macdonald** as senior vice president. **Winthrop B. Reed** and **J. W. Cooke** named vice presidents. Messrs. Macdonald and Reed will continue as vice presidents and Mr. Cooke as assistant vice president of General Steel. **W. A. Fitzgerald,** director of purchases, named vice president-purchasing, to replace **N. L. Rehnquist,** who retired Dec. 31. **Fred S. Roth** appointed purchasing agent.

B. H. Bradley has been appointed manager of works, Hammond, Ind. plant, **Pullman-Standard,** succeeding **B. J. Trautman,** retired. Mr. Trautman will be retained as a special consultant to the manufacturing department.

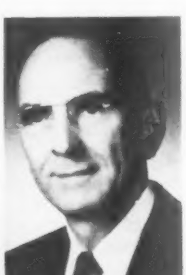
Richard P. Connette, assistant secretary, **Stanray Corp.,** has been elected secretary and treasurer, succeeding **L. S. Larson,** retired.

Charles P. Corrigan has been appointed sales manager, Central Region, Railroad Products Division, **American Brake Shoe Co.,** Chicago, succeeding **R. L. Robinson,** who retired Dec. 1, 1960. Mr. Corrigan was formerly a district sales manager, Eastern region.

J. H. Berryman has been appointed manager, special products department, **Air Reduction Sales Co.,** Union, N.J. **Robert A. Stone** has been named sales manager of that department. **L. W. Kunkler** has been appointed district manager, Buffalo office, succeeding **R. H. Merriman,** transferred to the Philadelphia office.

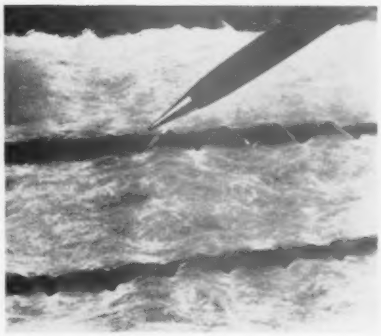
Charles Edison retired Jan. 1 as director and chairman of the board of **McGraw-Edison Co.** and has been elected honorary chairman. Mr. Edison will also serve as a consultant to the company.

Howard C. Palmer
GRS



A. J. Slosser
Armstrong Cork

New Products Report



Reefer Insulation

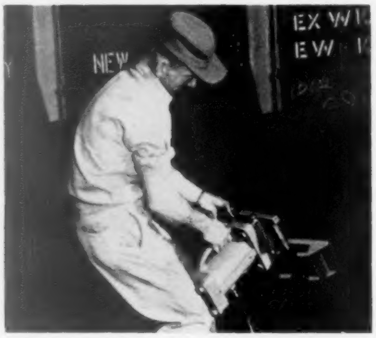
Isoflex-k20 insulation consists of multiple laminated layers of vinyl-coated corrugated aluminum foil and glass fiber spacers. The vinyl protects foil from oxidation and corrosion. The insulation is said to remain resilient and non-combustible under temperature extremes and not to sag or collapse when subjected to vibration. *Union Carbide Plastics Co., Division of Union Carbide Corp., Dept. RA, 270 Park Ave., New York 17.*

Locking Screws and Nuts

The Whiz-Lock, according to the manufacturer, has the easy spin-on application of the common nut and gives uniform tension. Bearing faces of the screw and nut have a series of spiral serrations on a convex base that take a firm grip when nut is tightened. A flange nut or flange screw can be specified for oversized holes where bearing surface is limited. *MacLean-Fogg Lock Nut Co., Dept. RA, 5535 W. Wolcott Ave., Chicago 40.*

Portable Copymaker

Completely portable, the Perfecta 99 makes permanent copies in black on white or in any color or any medium. The budget-priced, all-purpose copymaker is designed and manufactured to precision tolerances. It operates anywhere, requires no special wiring, lighting, or operator skills. Low cost and compact size permits decentralizing copy work on a departmental basis. *International Photocopy Corp., Dept. RA, 564 W. Randolph St., Chicago 6.*



Air Vibrators

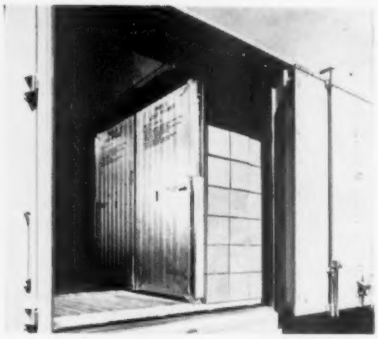
The Navco HCP line of heavy-duty air vibrators for unloading covered hopper cars has an exceptionally long piston stroke. The piston is the only moving part. Long-stroke units are said to cut unloading time, eliminate clean-out of cars after emptying, and to free unloading personnel The two piston sizes are 3 in. and 4 in., weighing, respectively, 68 and 115 lb. *National Air Vibrator Co., Dept. RA, 435 Literary Ave., Cleveland 13.*

File Control System

Featuring an application of electric accounting machine cards and microfilm, the Recordak FICO has automatic indexing, automatically threaded film magazines and inexpensive printout equipment. Versatility is achieved through the combined use of film indexing and EAM cards. In one installation over 220,000 documents on film are stored in a single file drawer. *Recordak, 415 Madison Ave., New York 17, N.Y.*

Dictation Equipment

International Business Machines Corp. has entered the dictation equipment industry with a product line called the IBM "Executary." A magnetic belt holds 14 minutes of recording. Automatic erasure and unlimited review of dictated material are features of the fully transistorized equipment. Models include a dictating unit, $395; transcriber, $370; combination unit, $450. *IBM Corp., Dept. RA, Electric Typewriter Div., 545 Madison Ave., N.Y.*



Load Dividers

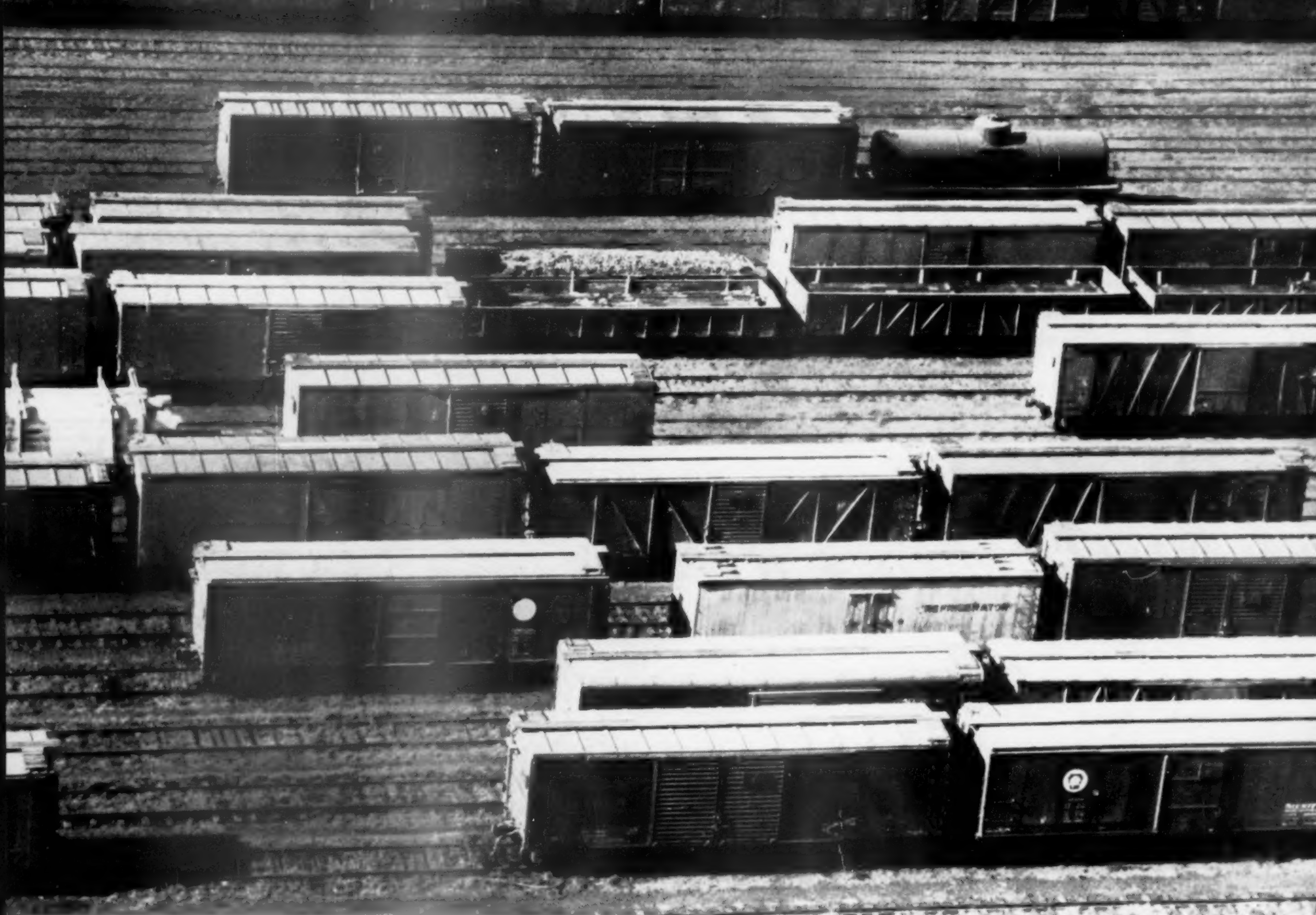
One man can operate the Preco dividers now being installed in refrigerator cars, insulated box cars, and other types of freight cars. Elimination of center rail in ceiling gives unobstructed head room for load and lift trucks. A single lever, operated from either side, is raised to unlock the dividers for positioning. Gates cannot be left in an unlocked position. *Preco Incorporated, Dept. RA, 6300 East Slauson Ave., Los Angeles 22, Calif.*

Ultrasonic Cleaners

A line of ultrasonic cleaners is available extending from a 3-gallon 250 watt self-contained model through large console equipment and vapor degreasers. Generators, transducers, and tanks are available as separate units which may be combined to meet varying cleaning needs. "Heavydutyline" tanks feature transducers covering from 43 to 50% of the tank bottom. *National Ultrasonic Corp., Dept. RA, 111 Montgomery Ave., Irvington 11, N.J.*

Mobile Dial Radio-Telephone

The type 901 B2 Mobiltel is an automatic two-way dial mobile telephone system. Standard equipment handles 30 subscribers, but options permit increasing the capacity to 50. Subscriber dash units include a regular handset and dial. Lifting the handset obtains the dial tone without need for a switching routine. Transmission levels in the system meet telephone standards to give maximum signal-to-noise ratio. *Lenkurt Electric Co., Dept. 216-RA, San Carlos, Cal.*

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MARKET OUTLOOK *at a glance*

Carloadings

Loadings of revenue freight in the week ended Jan. 7 were not available as this issue went to press.

Loadings of revenue freight for the week ended Dec. 31 totaled 406,346 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Dec. 31

District	1960	1959	1958
Eastern	59,349	76,348	73,569
Allegheny	64,323	97,416	81,277
Pocahontas	36,132	41,178	40,473
Southern	79,102	87,434	90,459
Northwestern	46,692	50,501	50,575
Central Western	85,401	93,115	94,054
Southwestern	35,347	37,865	37,812
Total Western Districts	167,440	181,481	182,441
Total All Roads	406,346	483,857	468,219
Commodities:			
Grain and grain products	37,729	33,265	43,950
Livestock	2,416	3,342	3,046
Coal	88,673	93,858	98,066
Coke	4,910	10,035	8,164
Forest Products	21,142	27,343	26,302
Ore	10,074	21,761	12,954
Merchandise l.c.l.	22,627	28,561	31,741
Miscellaneous	218,775	265,692	243,996
Dec. 31	406,346	483,857	468,219
Dec. 24	467,978	468,889	432,148
Dec. 17	486,059	615,333	571,147
Dec. 10	517,653	642,865	589,353
Dec. 3	522,936	649,582	594,884
Cumulative total, 52 weeks	30,439,609	31,014,549	30,222,145

PIGGYBACK CARLOADINGS.—U. S. piggyback loadings for the week ended Dec. 31, 1960, totaled 8,145 cars, compared with 6,661 for the corresponding 1959 week. Loadings for 1960 up to Dec. 31 totaled 554,212 cars, compared with 416,499 for 1959, an increase of 137,713 or 33.1%.

IN CANADA.—Loadings for the 10-day period ended Dec. 31 were not available as this issue went to press.

New Equipment

FREIGHT-TRAIN CARS

► *Bangor & Aroostook.*—Acquired 200 40½-ft box cars from U.S. Railway Equipment Co. Cars will be upgraded to Class A for use in paper traffic. New acquisitions will bring BAR's paper-car fleet to 2,250, about 48% of road's revenue car ownership.

► *Erie-Lackawanna.*—Will repair 725 box cars at Meadville, Pa., at a cost of $1,600,000. Program calls for replacement of roofs and inner linings and repairs to underframes where required. Cars will be repainted in the road's new gray and maroon color scheme.

► *November Bad Order Ratio 0.6% Higher Than in 1959.*—Class I roads on Nov. 1 owned 1,665,909 freight cars, 27,834 less than a year ago, according to AAR report summarized below; Bad Order ratio was 0.6% higher than on Nov. 1, 1959.

	Nov. 1, 1960	Nov. 1, 1959	Change
Car Ownership	1,665,909	1,693,743	−27,834
Waiting repairs	148,640	140,385	+ 8,255
Repair ratio	8.9%	8.3%	+ 0.6%

PIGGYBACK

► *Seaboard.*—Ordered 25 40-ft dry-cargo piggyback trailers from Great Dane Trailers, Inc., Savannah, Ga., for delivery late this month.

LOCOMOTIVES

► *Electro-Motive Division.*—Current orders for export locomotives include 21 units for Pakistan's East Bengal Railways (now being delivered); 100 units for the United Arab Republic (RA, Sept. 26, 1960, p. 63); 72 for Brazil; and 31 for Taiwan. More than 300 export locomotives were shipped from EMD's LaGrange, Ill., plant in 1960.

► *Yugoslav National Railways.*—Will purchase 21 diesel locomotives in the U. S. with proceeds of a $5,200,000 loan from the Development Loan Fund. Earlier DLF loans to Yugoslavia were earmarked for the procurement of 100 locomotives.

New Facilities

► *Kansas City Southern.*—Ordered equipment from General Railway Signal Co. for installation of CTC between Sallisaw, Okla., and Gentry, Ark., 69 miles.

Maintenance Expenditures

► *Down 2.5% in October.*—Expenditures by Class I roads for maintenance of equipment, way and structures in October were down about $6 million, compared to the same month in 1959, according to report of AAR Bureau of Railway Economics summarized below:

	Oct. 1960	Oct. 1959	% Change
Maintenance of Way and Structures	$ 98,338,115	$ 99,379,141	−1.0
Maintenance of Equipment	140,286,047	145,361,059	−3.5
Totals	238,624,162	244,740,200	−2.5

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and crews can use it as a cook stove . . . winter and summer!

For keeping a pot of hot coffee "on," or cooking a full meal, Caban Heaters offer the added benefit of a built-in table-top cook stove. To utilize this cook stove feature during the summer months, simply use Caban Heat Deflector accessory. Placed over the fire-pot, this low cost unit deflects heat to the cooking surface only, leaving temperature in the car unaffected.

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REB Gets Hints on Hiring

► The Story at a Glance: Selecting the right man for the job may be fundamentally a matter of playing the odds —but use of certain employment procedures can help reduce the gamble. Robert C. Johnson, personnel manager of the Paxton-Mitchell Manufacturing Company, long-time railroad supplier, offered this suggestion at the Railway Educational Bureau's semi-annual meeting of railroad training directors in Omaha, Neb.

Hiring is a chance-taking proposition. Are you employing the best man? Will he be capable of handling the job? Will he get enough satisfaction from the job to stay with the company—and perform up to his capabilities?

Careful attention to details in the interview-and-testing stage, Paxton-Mitchell's Mr. Johnson pointed out, can shorten the odds on the hiring gamble. Among the factors which may be overlooked but shouldn't be:

- When the applicant fills out an application and is interviewed, "be sure that all time for schooling and work experience is accounted for. For confirming work history, use the telephone whenever possible, rather than a check-list form which is routinely mailed to a former employer.
- "Don't arbitrarily force an applicant onto a supervisor. Include the supervisor in the interview—because the applicant will usually stand a better chance of succeeding if the supervisor helped make the decision to hire him; and because the supervisor knows his men and the job that is vacant and, therefore, should add to the accuracy of the selection.
- "Don't oversell the job. This is one of the most frequent mistakes made by employment people in their desire to fill a vacancy with a good applicant. Overselling the job, the company, and the future will only tend to decrease the chance of retaining a satisfied employee. If it's a hot, dirty job, then tell him so—or preferably, show it to him. The new employee will always be grateful to be surprised to find that the job is even better than he expected."

A testing program for applicants and new employees, Mr. Johnson noted, should be just that—a "program," using tests which have been proved valid as to correlation between test scores and employee performance in the job. Many tests are available where the validity has been established or where the correlation is obvious (e.g., a typing test). But, he said, "we have yet to find sufficient data to validate the correlation for many specific positions in our industry. Therefore, it's necessary for the company to compile its own data to prove the validity of the tests it is using."

And in using any tests, Paxton-Mitchell's personnel manager cautioned, "Be certain that the tests are measuring the important aspects of the job. A test measuring persuasiveness may be important when you're hiring a salesman, but is it important for a mechanic?

"Too often," he added, "there's a tendency on the part of managers—particularly those who don't like the responsibility of making decisions—to place too much emphasis on tests. Just because an applicant is intelligent and capable is (in itself) no assurance that he'll use those traits to the best interests of the company. We're not just hiring 'thinkers'—we want 'doers.' Morality, integrity, dependability, sobriety, ambition and motivation are only some of the other important traits which can offset many deficiencies an applicant might show on a test. Don't forget that many positions in your company are filled by just ordinary people.

"Tests are useful as an indicator, but not as a complete guide to your decision."

Mr. Johnson also advised the training directors not to "accept all the blame for a high labor turnover." A thorough exit interview, he suggested, "can tell you a lot about your supervisors, company policies, wage structure, working conditions. Keep records, by department or supervisor, of the various reasons for terminations. A high turnover rate for the same reason may indicate a need for training, or for a change in policy or procedures.

"This is the area where the employment office must endeavor to validate the foregoing employment procedures and take the necessary action toward the direction of decreasing the odds in the daily gamble of predicting the success or failure of a new employee."

Mr. Johnson's comments came during a special seminar on hiring standards and selection techniques, presented at the Railway Educational Bureau's most recent training directors' meeting. Companies represented at the two-day session in Omaha were: Jersey Central, Missouri Pacific, Northern Pacific, Rock Island, Chicago & Eastern Illinois, Union Pacific, Texas & Pacific, Erie-Lackawanna, Santa Fe, Kennecott Copper Co. (Ore Haulage Division), New York Air Brake Co. and Paxton-Mitchell.

As the Publisher Sees It

Goodbye Ferries?

Striking marine employees of railways in the New York area were demonstrating last week how little necessity there is, in 1961, for the passenger ferries that were so important 30 or 40 years ago. Passengers normally using the Erie-Lackawanna ferry (many only ride it in fair weather) were using the Hudson & Manhattan tube trains. Extra cars, and extra trains, including non-stop downtown expresses, moved passengers the first day of the strike with only minor inconveniences. The Jersey Central, only other railroad still required to operate passenger ferries across the Hudson, provided transfers to Pennsylvania trains at Elizabeth.

It is to be hoped that the State regulatory bodies will observe the orderly diversion of traffic.

If the Hudson & Manhattan were to have this additional traffic regularly, it could well afford to improve equipment and provide service that would easily substitute for ferry operations. Two economic purposes would be achieved. The railroads would be rid of a heavy deficit operation, the H & M would have a needed influx of new, regular patronage. Few would miss the ferries, least of all the railroads.

If the strike lasts long enough, alternate methods of handling Manhattan-bound freight, such as perishable terminals on the New Jersey side of the Hudson, and piggyback, will inevitably develop for everything but coal and other bulk traffic. The railroads will be rid of more deficit operations.

The marine unions, it would appear, are on the railroads' side.

Robert G. Lewis

Southern Fights BLF&E Demands

Southern has asked a federal court in Georgia to throw out four demands filed against the railroad by the Brotherhood of Locomotive Firemen & Enginemen.

The demands which the railroad calls "illegal" under the Railway Labor Act would, in the words of Southern Executive Vice President D. W. Brosnan:

- Require the system to reemploy every fireman cut off since March 1957 to "work" on engines and trains no longer in existence.
- Require the railroad to get the union's consent before contracting to have work performed by an independent contractor.
- Require that the railroad "revert to the former wasteful method of handling train movements by written train orders, merely to compel the unnecessary employment of a large number of telegraph operators which the firemen's union does not represent."
- Require the railroad to set up, "solely at the arbitrary whim of the union," special boards of adjustment for claims and grievances and disputes.

Southern said the four "illegal" demands are among seven changes in rules and working conditions proposed by the BLF&E on Nov. 16, 1959. Mr. Brosnan said that the railroad is willing to bargain on the three other demands. They involve charges that the railroad is assigning supervisors to do employees' work; discipline machinery; and physical examinations of employees.

Mr. Brosnan said that "significantly" the demands by the BLF&E were identical with demands served at the same time by 15 other railway labor organizations, all of which contained a request that joint conferences be held with all of the unions. He said this accounts for the fact that two of the "illegal" demands are totally unrelated to the employees represented by the firemen's union.

The Southern officer said the railroad, upon receipt of the demands, pointed out that the demand of the 16 organizations to bargain jointly with the Southern System on their 16 identical notices was "wholly improper and unworkable." He said the railroad told the unions that "there are vast and basic differences between our agreements with employees in different classes or crafts and that such diverse matters can be intelligently handled only in individual conferences with one craft at a time and with the general chairman authorized or designated to bargain for each class or craft of employees."

Mr. Brosnan had this to say about the union's demand for a job freeze retroactive to March 22, 1957:

"The union seeks to restore 'positions' for which there is no work; to bring in employees to be paid for doing nothing, and to forbid future abolition of positions or furloughing of employees under any and all circumstances without the union's permission.

"This would mean, to take a single example, that all employees would have to be retained even though our business fell to half its present levels, unless the unions agreed otherwise. It is difficult to conceive of a more arbitrary attempt by labor organizations to take over the management of a business.

"This demand by this one union would cost the Southern Railway System Companies $906,000 annually, to be paid to people for whom there is no work available."

As for the extra employment that would be involved in reverting to written train orders, Mr. Brosnan noted that "such hiring would immediately consume the few telegraphers who are presently cut off and force the railway to go on the street to hire men with whom they never had any employment relationship."

In a lawsuit filed at Macon, Ga., the railroad asked that a federal district court decree that under the Railway Labor Act the union has unlawfully insisted upon the four proposals and grant relief accordingly. Defendants in the suit are the BLF&E, the union's Inman Lodge No. 651, Atlanta Lodge No. 841, Macon Lodge No. 246, Valdosta Lodge No. 842, and officers of these lodges. Mr. Brosnan explained the railroad's position with respect to the demands in an affidavit.

Teamster Pact May Force Rate Hike

Some 2,000 Chicago local trucking firms, operating since Jan. 1 under an interim agreement with James R. Hoffa's International Brotherhood of Teamsters, agreed last week to a new three-year pact calling for a reported 42¢ package increase in wages and fringe benefits.

An official of the Central Motor Freight Association refused to confirm the reported terms of the agreement since he "hadn't analyzed it." It apparently follows closely the pattern set independently by a small group of local and inter-city truckers earlier in the bargaining talks which began last November. The new pact will call for a three-step wage increase—10¢ retroactive to Jan. 1, eight cents effective in 1962 and a final 10¢ increase effective in 1963—plus increased health and welfare benefits and improved vacation allowances.

A spokesman for the Illinois Motor Truck Operators Association predicted that the higher labor costs will force truckers to ask for a 15% increase in freight rates during the first year of the contract and more later.

Negotiations with inter-city truckers and cartage firms outside Chicago in the Central States Area are scheduled to resume Jan. 16. A member of the Central States Motor Carrier Negotiating Policy Committee said that talks were "deadlocked" last week following Teamster refusal of a motor carrier "final offer." Hoffa's negotiators are seeking trucker acceptance of the pattern settlement reached previously with the independent faction and the local Chicago operators. Present contracts with the Central States Area inter-city firms expire Jan. 31.

Spokesmen for the independent faction and the Chicago local cartage companies revealed that Teamster demands for a flat car surcharge of two cents per mile per trailer, loaded or empty, had been reduced to a fixed charge of $5.00 per trailer and the application of this charge had been deferred until Feb. 1, 1962. Meanwhile, a joint study group composed of motor carrier and Teamster negotiators and actuaries will explore TOFC operations. Hoffa originally asked for such an assessment against over-the-road truckers and local cartage companies handling piggyback trailers, with the proceeds to be devoted to the Teamster union's health and welfare and pension plans.

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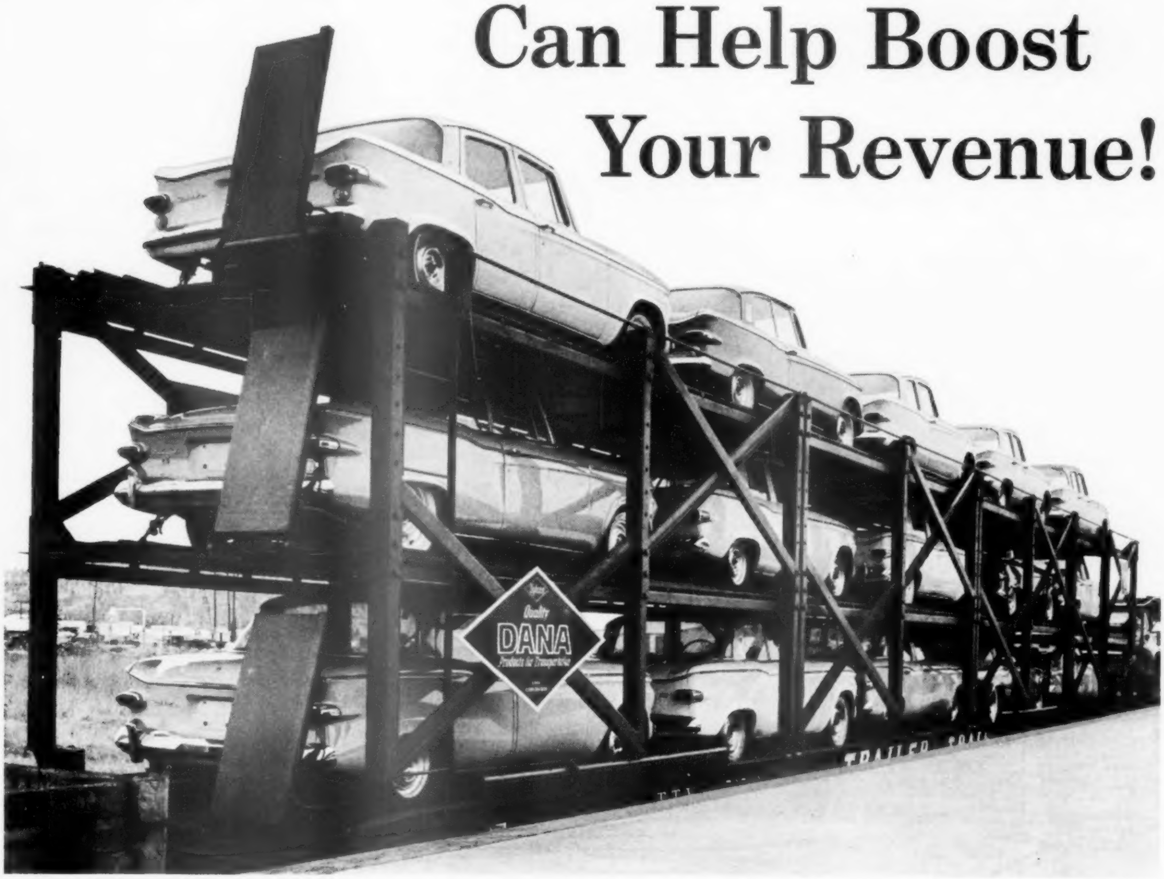

Dana Corporation—manufacturer of railroad equipment for over fifty years—now offers advanced-design bi-level and tri-level vehicle carrier racks. The new racks are designed to fit all makes of 85-foot TTX cars, the R-85 and G-85 piggyback cars, and the Pullman Standard Lo-Dek car.

All members on the new racks are formed and welded into box and channel sections to give maximum strength with lightest possible weight. Fully welded construction provides unitized section for maximum strength.

The new long bed flat car carrier assembly consists of four twenty-foot sections connected together through multiple resilient attachments. The specially engineered attachments compensate for deflection and misalignment without imposing additional structural loads. All sections are mounted on rollers under each post to minimize wear and friction.

Channel tracks extend the full length of the cars to permit rapid, maximum loading. Bridge plates agree with standardized construction for attaching to known makes of car carriers. Top upper decks have retractable guard rails for added safety.

The new racks are available f.o.b. Ecorse, Michigan or Reading, Pennsylvania. For further information write: Railway Division, Dana Corporation, Toledo 1, Ohio.

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You Ought To Know...

Prestressed concrete crossties, developed by the AAR and now undergoing tests on the ACL, SAL and WP, have recently been installed on a test section of DM&IR's Missabe Division near Saginaw, Minn.

Merger of the BRT and the ORC&B may herald a "new era in the annals of railroad labor," BRT President W. P. Kennedy told his union's members last week. Dual representation of men in train and yard service, he noted, "is a luxury that these railroad workers can no longer afford." Mr. Kennedy called for cooperation at all levels in both organizations and warned that "jurisdictional rivalry must be replaced by a wholehearted cooperative effort."

Bowling in Grand Central Terminal was delayed, if not killed, by New York City's Board of Standards and Appeals after civic and architectural groups had objected to proposed changes in zoning standards. New York Central, which wants to lease air space above its waiting room for bowling alleys, can appeal the ruling.

N&W interlocking at Norfolk has been designed to work with track circuits flooded by tidal waters. Switch circuit controllers and other vital elements are mounted on vertical posts above high water. Trainman in the field must press a button simultaneously with the towerman to operate switch machines.

The Reading was ready to handle thousands of additional passengers if a threatened TWU strike against the Philadelphia Transportation Co. came off as scheduled Jan. 14. The railroad noted that its emergency plan would cost "many thousands of dollars at a time of reduced business conditions when we can least afford it."

"Do-it-yourself" transportation (private carriage) now accounts for "more than a third of all freight moved in America" and poses a serious threat to common carriers, AAR General Attorney Harvey J. Breithaupt, Jr., told a Pittsburgh Chamber of Commerce forum last week. He called for a "new frontier" in transportation in which multi-carrier companies would replace separate rail, motor, water and air carriers.

Agreed charges continued to grow in Canada in 1960. There were 960 agreed charges in effect on Dec. 31, 1960; compared to 744 on Dec. 31, 1959; 465, Dec. 31, 1958; 278, Dec. 31, 1957; and 25, Dec. 31, 1952. According to waybill samples, one out of every six cars of traffic moved under agreed charges in 1959.

Great Northern's support of Santa Fe's bid for control of Western Pacific should be "of great assistance to the ICC as convincing evidence of the importance of maintaining dynamic rail competition in the public interest," according to WP President F. B. Whitman. He said WP is "very pleased to welcome the wholehearted support of the Great Northern in this crusade to maintain the competitive rail service which is so necessary to the continued prosperity of the West."

"Roller Roads" have been proposed by Westinghouse Electric Corp. as a possible successor to turnpikes when conventional turnpikes become inadequate to handle auto traffic expected in the 1970's. The roadway would consist of a series of rubber rollers, spaced 20 ft apart, resembling inverted roller skates. Powered by individual motors, the rollers would both support and propel flat-bottomed all-weather carriers in which automobiles and passengers would travel at speeds up to 150 mph. Side guide rails would keep roller "trains" in their lanes.

PRR's employee-injury rate, based on man-hours worked, dropped by more than 13% during the first 10 months of 1960, compared with the corresponding period of 1959. In 1959 the injury rate dropped 4.4% compared with 1958.

"Perilous" conditions are developing in the railway industry as the result of "undermaintenance of equipment," rail unions charged last week. Harry See, chairman of the RLEA Committee on Safety, noted that 28 railroads paid fines totaling $41,187 for violations of safety laws in November 1960, added that "because of the woefully inadequate safety inspection staff of the Interstate Commerce Commission, many more violations are going undetected, and a large number of additional known violations are not prosecuted for various reasons."

BLF&E's campaign to gain support for its efforts to prevent removal of firemen from C&NW commuter trains may have backfired last week as union members handed commuters copies of "Labor" with an article detailing how a C&NW fireman averted a wreck and was given a BLF&E safety award. One commuter was overheard to ask, "Do they still have two men on these trains?"

Golden Gate Bridge can safely be modified to carry rapid transit facilities as well as automotive traffic, wind tunnel tests at Langley Field, Va., show, according to San Francisco Bay Area Rapid Transit District engineers. A rapid transit link from San Francisco to Marin County has been proposed to be installed below the present auto level of the bridge.

Temporary World's Fair station has been opened by the Long Island at Flushing Meadow, L.I., site of New York's 1964-1965 exposition. Twenty-one daily trains operating from Pennsylvania Station will serve Fair employees and others involved in planning the event. LIRR willl later build a "permanent" station for visitors to the Fair.

"Stimulating our rate of economic growth" is the most pressing problem facing the new Administration, says BRC President George M. Harrison. He says President-elect Kennedy will not fight "an illusionary run-away inflation" while capacity to produce exceeds demand and men and machines lay idle.

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CLASSIFIED ADVERTISEMENTS

1961—It's Up to the Executives

The surest prediction that anybody can make about 1961 is that it is not going to be any prolonged vacation for top railway management. Management will have its hands full with customary managerial duties—and, on top of all that, it must exert itself this year, as never before, to get changes in the railroads' political environment that will reverse the erosion of traffic and earnings. If this erosion is not arrested, then before the year is out one or more important railroads may find themselves in the hands of government. And, if that should happen, the fat would really be in the fire.

Management cannot perform the vitally important added duties it must take on in 1961 if its ranks are decimated in the interest of a false economy. When a patient is critically ill (as some, but not all, of the railroads are now) it is not genuine economy to cut down on the numbers and skill of the medical staff.

The biggest bargain available to any large business is the expense it goes to to provide itself with competent top management. A company might get a man for little money who could go through the motions of running the property, thereby saving, perhaps, many thousands from the payment needed to attract a highly competent chief. But the result in net earnings in favor of the more expensive man might well run up to several million dollars.

If a top executive is worth hiring at all, he will be worth easily a million dollars for every $100,000 he costs—a ten-fold return, and obviously the most prudent and productive investment a company can possibly make.

Many big railroads are undermanned at the very top. The railroad industry has a strong case to take to the public—the critical and immediate national need for equality of treatment of the industry in taxation, promotion, self-support and regulation. This case cries out for adequate presentation to leaders of industry, government, education and the professions. No man on a railroad can do this job as effectively on a person-to-person basis as an officer of chief executive rank—a man who can speak authoritatively from first-hand knowledge, and who can make commitments without having to ask permission.

But if railroads are going to call on chief executives to perform the life-or-death ambassadorial labors that the industry must have done in its behalf in all high places in 1961, who is going to be on the job running the railroads? Even the customary managerial jobs, with no "outside" assignments, are going to be tough enough this year—to say nothing of the added labor involved in merger studies by many companies.

Fortunate, then, is the railroad today which has a board chairman, as well as a president, to share the extraordinary burden of unavoidable top-level assignments that press upon every railroad today. Fortunate, too, are those railroads with a finance committee chairman, an executive vice president, and senior vice presidents of acknowledged stature—able to give the railroad wider effective missionary contacts, in places where missionary effort is so vitally necessary.

The report of General Doyle's task force to the Senate Interstate & Foreign Commerce Committee (briefly reviewed in last week's Railway Age), makes many specific recommendations which accord with railroad opinions, but some of the steps it favors need critical scrutiny (to say the least). And one of its major proposals (establishing a cabinet department of transportation) is one on which railroad leaders have never achieved unanimity. Decisions on such questions as these can't wait; and they are not assignments on which primary responsibility before the public can be delegated to staff assistants.

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The political build-up for realistic revision of the nation's transportation set-up is ripening to full maturity. The railroads' rivals are fully aware of the crisis that is approaching and are girding themselves accordingly. Railroads had better win this battle, because it may well turn out to be for them a combination of Yorktown and Appomattox Court House—the last battle of the war. They need the ablest generals they have at the scene of the conflict.

One seldom-mentioned argument in favor of rational merger projects is that they free some experienced top-level executives from routine duties, enabling them to assume ambassadorial assignments—than which there is today no more important executive duty and opportunity. The year 1961 could be the most constructive in all railroad history—it all depends on how the industry fortifies and deploys its executive talent.